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THURSDAY, JUNE 17, 1943

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R. S. V. P.



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No is experienced in the preparation of policies to meet your requirements; he is always available in the event of loss; he represents a company of this strong, capital stock group which has paid out more than a billion dollars in claims since 1855. We will gladly furnish you his name on request. Write to the company at 80 Maiden Lane, New York.

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Variety of Issues Is Involved in Expansion Project

Company Executives Eye Critically Move to Write in Other Lands

NEW YORK—Whether there will be a large-scale expansion of American insurance companies abroad after the war—particularly in South America, the most natural market—involves a variety of questions. The answers to some, such as the decided action of some countries in shutting out foreign insurers, may be beyond the companies' control. Others, seeing the value of the new business to be gained through expansion, will depend on each company's situation.

Many of the more prominent companies are already doing business abroad through American International Underwriters or American Foreign Insurance Association and for these it is merely a question of whether they want to develop the foreign field on a bigger scale than at present.

Ultra-Nationalistic

As far as South America is concerned the big question is whether the countries will relax their ultra-nationalistic insurance legislation. Brazil, Chile, Costa Rica and Uruguay bar foreign insurers entirely. Brazil goes so far as to bar a foreigner from being a guardian of a Brazilian minor who owns stock in a Brazilian insurance company. Temporarily Brazil is letting foreign companies stay on, but only until it can line up reinsurance facilities abroad for the state reinsurance fund. Local companies are forced to reinsure everything above their legally specified retentions with the state reinsurance fund.

The good neighbor policy means nothing whatever to the insurance business. In fact it works the other way. The United States government is so anxious to avoid any accusation of "dollar diplomacy" that it refuses to offer even the mildest protest against the laws which make it difficult or impossible for American companies to do business in South American countries. One possibility is that since local insurers do not have the capacity to carry large risks they will have to reinsure more and more of their business abroad as values increase.

State Reinsurance Funds

The typical setup of this sort is the state reinsurance fund of Brazil or the Caja Reasagadoras of Chile. All local companies must reinsure with these state funds, which in turn must retrocede business abroad. This opens a possible market for American insurers even though they are barred from doing direct business. The state fund in Chile retains only 10 percent, retroceding 90 percent, and is largely a method of providing political jobs. However, the extra cost of such an arrangement comes out of the local insured and if they are satisfied with it the reinsurers abroad have no cause to complain.

The other main complication is that where foreign insurance companies are permitted to do business they must put up substantial deposits and invest in

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Polish Alliance Case to High Court

Attorneys for Polish National Alliance will appeal the decision of the U. S. circuit court of appeals in the fraternal's suit against the National Labor Relations Board to the U. S. Supreme Court. The three judge federal court in its decision held that the fraternal is an insurance company, that insurance is commerce and that the Congress through the labor relations act has the power to regulate it. C. E. Midowicz and Ewart Harris appeared for the Alliance.

Thus the question of whether insurance is commerce will go before the Supreme Court in about 60 days, probably in advance of the suit of Department of Justice against the Southeastern Underwriters Association. The fraternal based one of its chief defenses on the decisions of the U. S. Supreme Court beginning with Paul vs. Virginia holding that insurance is not commerce and therefore not regulable by the federal government.

SIGNIFICANCE OF DECISION

Decision of the seventh U. S. circuit court of appeals in the Polish Alliance case that insurance is commerce brings up the possibility that insurance might be considered interstate commerce within the meaning of the National Labor Relations Act and yet not be interstate commerce under the Sherman anti-trust act. Those who have followed Supreme Court decisions on interstate commerce questions have noted that in ruling whether a certain activity is or is not interstate commerce the court almost invariably qualifies this by the words "within the meaning of the act."

The possibility that a given activity may be considered as interstate commerce under one law and not under another was even more specifically indicated in the Supreme Court's recent decision in McLeod vs. Threlkeld et al, in which the court stated that "there is no single concept of interstate commerce which can be applied to every federal statute regulating commerce."

Acting on this principle the Supreme Court could with entire consistency hold that insurance is commerce within the meaning of the National Labor Relations Act but that it is not commerce within the meaning of the Sherman anti-trust act.

However, if the high court were to hold that insurance is interstate commerce within the meaning of the labor act or any other federal law governing commerce it might open the way for federal regulation even though the court held that Congress did not intend, in the anti-trust laws or various other laws to regulate insurance under the commerce power.

Furthermore, although the Supreme Court has taken the attitude that com-

Time for Agents to Help Selves

Stuart Ragland Advocates Vigorous Attack on Problems at Nashville

Agents must rely upon themselves to correct the ills of the business, Stuart Ragland of Richmond, Va., Virginia state national director and member of the National association's public relations subcommittee, asserted in his talk



STUART RAGLAND

before the Tennessee Association of Insurance Agents. He made a strong bid for support of the N.A.I.A. public relations program, but, he said, agents

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merce may be one thing under one law and something else under another the court has shown a tendency to cite decisions as to what constitutes interstate commerce even in situations that are not entirely analogous. The circuit court of appeals for example in the Polish National Alliance case, cites the Supreme Court's decision in the Associated Press case and though that case dealt with labor relations there may well be doubt as to the similarity between the Associated Press's activity and that of Polish National Alliance.

Incidentally it should be noted that the Associated Press case referred to in the Polish National Alliance decision is one which was decided some years ago and is not the prosecution for alleged anti-trust activities which has not yet reached the Supreme Court.

Affirmative U. & O. Rider May Soon Be Announced

Endorsement Would Specifically Assume Aggravation of Loss Liability

NEW YORK—An endorsement for use and occupancy, rent and other "time loss" coverages, specifically assuming liability for aggravation of loss due to government restrictions on rebuilding, repair, labor or materials, is expected to be announced soon. This will apply to policies written at a 100% increase in rate, under the rules made effective last March and April in all states, except Virginia, Indiana, Missouri and Texas. The alternative to the 100% increase is an endorsement denying liability for this aggravated loss.

The present situation is not satisfactory to companies, agents, brokers and assured and there was agitation for an assuming endorsement even before the present rules were adopted.

Coverage of Old Forms

There was considerable difference of opinion on how far the old forms, with no endorsement, covered such aggravations. Some companies declined to commit themselves, while others agreed to pay losses which a number of legal authorities felt were not covered. All the standard fire policies exclude, under varying language, loss caused by order of civil authority and by ordinance or law regulating or prohibiting construction or repair.

Most authorities felt that the proper interpretation was that delays due to the assured being unable to get labor or materials or being delayed in reconstruction because he could not get a priority were covered. On the other hand, they felt that the now famous order L-41 of War Production Board, which flatly prohibits construction or repair under certain circumstances, amounted to a prohibition of rebuilding by law which was excluded. For example, they felt that if the assured suffered a loss which could be repaired in peace time in three months, but would take five months because of waiting for labor or materials, the company would be liable for the five months loss. However, if the assured could

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INFORMAL GLIMPSES OF THOSE ATTENDING INSURANCE COMMISSIONERS' MEETING IN BOSTON, PHOTOGRAPHED BY H. H. FULLER, DEPUTY U. S. MANAGER OF ZURICH:

J. F. Collins, head of the rating bureau of the New York insurance department; Claude Fairchild, general manager Association of Casualty & Surety Executives; Paul F. Jones, Illinois insurance director; Sanford B. Perkins, secretary liability department Travelers; Albert Burger, chief examiner Minnesota department; Newell Johnson, Minnesota commissioner, new vice-president of the association, and Henry S. Moser, Chicago attorney.

10% Fewer Bonds Meet Amortization Test on New Basis

Rise in Market May Cut This Percentage Materially, However

NEW YORK—The new and more stringent income test for amortizability of corporate and revenue bonds which the National Association of Insurance Commissioners adopted last week would rule out about 10 percent of the issues that would have qualified on last year's standard. This is on the basis of a survey made based on April 15 market values. To the extent that the market has improved since then the percentage that would not be able to make the grade under this test would of course be reduced. It is quite possible that by the time Dec. 1, 1943 arrives the general level of bond prices will have risen so that all issues that were able to qualify last year will be able to do so even on the stricter basis.

While the income test is an important one, a bond unable to qualify because of the new restrictions might be able to do so through one of the other tests. In this connection the requirement for qualifying by means of being rated at one of the four highest grades by any of the recognized rating agencies was raised by the commissioners so that such ratings must be obtained by two of the rating agencies. However this will not have much effect, it is believed, because only a few of the border-line issues would be rated in the top four grades by only one rating agency.

Ceiling on Yield

The income requirement is based on the theory that if a bond sells on a basis to yield more than a certain amount of income there is probably something the matter with it. The income ceiling applies to all corporate bonds and all special revenue bonds of any state or any political subdivision of a state or any agency or instrumentality of the foregoing. The 1942 basis provided that yields to maturities based on Dec. 1, 1942 association values should not exceed 3.90% plus the yield on fully taxable U. S. government bonds of comparable maturities. Thus, if a government bond were selling on a 2.25% basis a corporate or special revenue bond of similar maturity would have been eligible on last year's basis if it did not yield more than 6.15%.

On the 3.50%-plus-government basis adopted by the commissioner for this year the yield in the above example could not exceed 5.75% as of Dec. 1, 1943. Furthermore, the bonds would have to meet the earnings test for last year as well as this year in order to qualify except for such bonds as were not outstanding on Dec. 1, 1942. Such bonds need meet only the Dec. 1, 1943 test.

Not a Large Jump

The check based on the April 15 market values showed that 52% of bond issues would be able to qualify on the 3.90 basis while 47% would qualify for amortization on the 3.50% basis. While the change from 3.90% to 3.50% may seem like quite a jump it was necessary to go about that far in order to produce enough of a change to be perceptible. A change from 3.90% to 3.70%, for example, would

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Proper Plant Protection Requires Effort and Skill

Proper establishment of values for industrial plant properties is essential to avoid wasting funds in payment of premiums on excess coverage, avoid serious loss because of insufficient coverage, and to have on hand appropriate records of properties and of property values in order to prove a loss in emergency. George C. Hetlage of G. C. Hetlage & Co., valuation engineers, St. Louis, said in a talk before the insured members conference of the Associated Industries of Missouri at St. Louis.

Original book costs and book values and any costs or values that are based on prices and conditions that prevailed during years past are not properly used for present insurance coverage, Mr. Hetlage said. It is fundamental that fire and tornado insurance coverage be based on current, present day costs and values and on the present existing condition of the property.

Market values do not provide an approach acceptable in establishing a value for insurance purposes, he said.

Accepted Valuing Method

The universally accepted approach to physical plant property values for insurance purposes is that of calculating reproduction or replacement costs at current prices and deducting appropriate allowances for depreciation based on physical condition, obsolescence and other factors. These are present day values to a going concern and are not dependent upon income producing capacity of plant nor of the operating company.

Total losses of industrial plants are rare, Mr. Hetlage commented. Accordingly, values are established in contemplation of partial losses. Conditions which affect the value of a plant as a whole, such as poor plant layout and resulting inefficiency of operation, therefore are essential considerations in determining insurance values. This principle represents a fundamental difference between insurance and market values.

Factors Governing Used Equipment

The fact that a unit of equipment could not be sold except at a great sacrifice on the used equipment market has no bearing on insurance values, he said. In the past it has frequently been suggested that the value of a machine should be governed by the price at which similar used machinery could be purchased, this price usually being less than the normal reproduction cost less depreciation. Experience has proved, however, that the cost of locating a machine of the required capacity and type, and the costs of dismantling, transporting, repairing and reinstalling it brought the second hand cost within reasonable range of the insurance value established by the accepted method.

A more common question, he suggested, under present conditions is whether or not a machine should be insured in an amount exceeding its present

cost new because of the difficulty of replacing it and because of losses incident to interruption of plant operations pending the replacement. This situation should not influence value. It is a problem of use and occupancy coverage, he said.

Value to a going concern is the basis applicable to extra or standby equipment as well as to equipment in constant operation, and to old, partially obsolete equipment as well as to the most modern. An old machine may serve special requirements of intermittent service as satisfactorily as the unit of the most modern type, he said.

Exceptions to Principle

But this principle is not to be applied indiscriminately. Most old plants contain some units that are not needed. Some of these units are of such obsolete type that their replacement would improve efficiency and economy far beyond the cost involved in the change. Current shortage of funds, negligence and other special situations delay replacement. In such cases the value must be confined to salvage value, the sum that can be realized in disposition of the unit either in its present form or its scrap materials. There is, therefore, no rule of thumb limit to depreciation that may be deducted in establishing insurance value.

An essential consideration is utility to the present owners, he added. Changing utility results in changing values. Plant units that are out of service and are held for possible future use may change in value because of a change in their utility although there has been no change in their physical condition nor in the level of prices which apply.

The valuing of physical properties for insurance purposes involves three essential operations, the preparation of a carefully classified inventory of property with segregation of items that are insured from those not insured, the pricing of this inventory at current prices, and the deduction from reproduction or replacement costs new an appropriate allowance for depreciation. The first two operations require experience and painstaking detail. Depreciation may be classified as physical and functional, the former being loss in value that results from wear and deterioration, and the latter covering all other elements of appreciation, of which obsolescence is the most common. Other elements are inadaptability and inadequacy.

Obsolescence and Inadaptability

Obsolescence results from improvement in processes and in the design and materials used in industrial plant construction and equipment, Mr. Hetlage commented. Inadaptability refers to the failure to meet changed processes or requirements of the company. Inadequacy represents insufficient capacity.

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Tennessee Agents Hold Brisk Business Session

Revise Mixed Agency Rule; Ask for New N. Y. Policy; Elect Bandy

NEW OFFICERS ELECTED

President—J. H. Bandy, Nashville.
Vice-president—C. P. Edwards, Jr., Kingsport.
Treasurer—Lee M. Hunt, Nashville.
Secretary—James A. Donovan, Hartsville.
Manager—R. T. Cawthon.
Directors—D. M. Olszinger, Memphis; Hayes Hartnett, Nashville; Charles S. Colburn, Chattanooga.

NASHVILLE, TENN.—An unexpectedly large number, 145, attended the 50th annual meeting of the Tennessee Association of Insurance Agents here. The proceedings were cut from two days to one.

Resolutions were adopted endorsing the public relations program of the National association and approving a revision of the constitution and by-laws with reference to the mixed agency problem. The association is asking the companies and the Tennessee insurance department to require the use of the New York standard fire policy form in Tennessee.

Will Johnston of Memphis, retiring president, becomes chairman of the executive committee.

Resolution on Mixed Agencies

One of the amendments to the constitution adopted at the afternoon's executive session involves a revision of Article IX of the by-laws. The previous form read "The 'conference agreement' between the companies who are signatories thereto and the National Association of Insurance Agents, ratified in 1926, forms a definite basis of dealing with the companies and is made part hereof as if the whole text was incorporated." The revised article reads: "To form a more specific and definite basis for dealing with the companies it shall be the duty and obligation of every member to support and represent only those companies which refrain from having agents who are licensed for non-stock fire, marine, casualty, and surety bonding insurance companies."

As an outgrowth of a panel discussion at the executive meeting a resolution was adopted asking that the National association be requested to create a fidelity and surety committee to handle all matters peculiar to those agents who specialize in surety bonds, thereby eliminating the necessity for a separate organization of fidelity and surety agents.

Johnston Makes Report

In his presidential report Mr. Johnston commented on the reduction in fire rates on 10th class dwellings, which was made in January in Tennessee. Some agents may be bewailing rate reductions, he said. If they are, he advised them to stop and think it over. The reduction should be used to sell more insurance and more complete protection. The only way any of the fine businesses of the United States got that way was by producing the best conceivable

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Will Johnston

THIS WEEK IN INSURANCE

Expect announcement soon of U. & O. rider specifically assuming liability for aggravation of loss. **Page 1**

New amortization requirement would cut eligible list about 10%. **Page 2**

Tennessee Association of Insurance Agents elects J. H. Bandy president at its annual convention. **Page 2**

Annual convention of the National Association of Insurance Women is being held this week in Milwaukee. **Page 5**

A. G. Dugan of Hinsdale, Ill., former western general agent of Hartford Fire, is dead. **Page 17**

National Association of Accident & Health Underwriters holds annual meeting in Pittsburgh. Homer J. Blisch elected president. **Page 19**

War damage insurance up for first renewal. **Page 3**

Retail store insurance buyers present views on coverage and adjusting problems at Chicago meeting. **Page 3**

R. A. Algire of National Surety tells Connecticut agents some of the actual questions that have arisen under the new broad theft policy. **Page 19**

Sir William Beveridge of London speaks before the Association of Commerce in Chicago on his social security program. **Page 21**

F. J. O'Neill is preparing to retire as president of Royal Indemnity and Eagle Indemnity at end of 1943. **Page 19**

New York department releases annual study of fidelity and surety experience for the previous year. **Page 20**

New farm liability-policy offered by Bituminous Casualty explained. **Page 21**

Renewals on War Damage Coming In at Good Rate

Fewer Errors Found, Reflecting Greater Experience of Producers

NEW YORK—Renewals of war damage coverage have been coming in at a better rate than was expected and some companies are already having to have some of their staff stay evenings to handle the work and keep up with the volume. The rate at which renewals are coming in is regarded as a favorable indication of the percentage of this business that may be expected to renew, and also of the forehandedness of agents and insured in getting their renewal applications in early and thereby keeping the end of the month rush at the home offices to a minimum. There is bound to be a considerable jam at best although the simplicity of handling renewals on the certificate basis will be a great help.

Fewer Errors Found

Renewals that have come in to date reflect the greater knowledge and experience of producers and insured in handling war damage insurance for there are fewer errors as compared with the original applications.

Quite a large percentage of war damage business will not renew as of July 1 as many property owners delayed in taking out this coverage until after the July 1 date, when the government's free war damage coverage expired. In fact a surprising amount of war damage coverage is currently being written and this has been the case ever since the big peak of applications tapered off last summer. One group of companies estimates that about 5% of its current war damage work is on new policies.

Depends on First Sale

Where there have been changes since the original application was written considerable work is involved in getting out new policies due to new rulings. So far where agents were able to sell this insurance in considerable amounts and convince the policyholders that it was a good buy at a reasonable rate, renewals are coming in fairly satisfactorily. Offices generally, however, look for about a 50% lapse. Policyholders seem to think that the danger of bombing is much more remote than a year ago. However, much depends on the service and salesmanship of the agency.

Where there have been changes and a new application is required there is no place on the blank to state whether it is on a renewal or new business. This requires the fiduciary agent to consult

20-Year Man



W. J. TRAYNOR

William J. Traynor, publicity director of North British & Mercantile, celebrated his 20th anniversary with the group. He joined North British as secretary and assistant to the advertising manager, and in 1931 was appointed assistant publicity director. He became director in 1934.

He received about \$75,000 new business written in his honor and letters and flowers from all over the country.

the records and ascertain the nature of the application. Some local agents are typewriting in a statement on the application telling whether it is renewal or new business. This saves considerable work at headquarters.

It is much easier to sell war damage insurance especially on the Pacific coast where Japanese invasion is not unlikely. Then there is always the theory that the Germans may come down through Baffin Bay and hit Detroit, Cleveland, Buffalo, Chicago, Milwaukee and other lake points. The main argument put up by agents is that the coverage does not cost so much and while it is a long shot it is worth having. They cite the fact that life companies, banks, building and loan associations and other loaners of money require this coverage. Hence if it is their opinion this protection should be purchased it is well for others to buy it.

American has prepared a simple plan by which an agent can explain war damage coverage, solicit the order and request the premium all in one mailing. There are two folders, one containing a picture of a plane dropping bombs over a city and consisting of the sales talk feature with a "plug" also for extended coverage insurance. The other is a card for ordering renewal of the policy with a notation that check is being attached.

Retail Store Insurance Buyers Present Views

A firm belief in insurance and an extremely favorable estimate of the fairness and skill of adjusters in handling losses were expressed at the insurance session of the controllers' congress of the National Retail Dry Goods Association in Chicago Tuesday.

The controllers strongly advised the purchase of use and occupancy to cover the extra delay caused by the difficulties of getting priorities and materials. They expressed the conviction that all profits should be covered under use and occupancy even though this amounts to collection of excess profits tax for the government, under those forms where coinsurance is not required. The difficulties of avoiding coinsurance penalties in both property and U. & O. coverage in spite of the utmost vigilance to keep insurance values up to date were described.

Attitude Towards War Damage

It is perfectly proper to charge a premium for war damage insurance so long as need for the cover exists, W. Gilbert Morrison, treasurer of Associated Dry Goods Corp., New York, and chairman of the controllers' congress insurance committee, said. But after the war is over the retailers should insist on a return of unused premiums, he asserted. Other taxpayers who did not buy the protection should not benefit from the money spent by prudent taxpayers who did.

Mr. Morrison cannot see that assured has much after he buys money and securities war damage cover. If a bomb falls in front of an armored car in which he has \$200,000 in cash, and the money is not destroyed but scatters over the street and people stick it in their pockets, there is no coverage.

It is essential to recheck the amount of insurance coverage regularly, and more frequently nowadays than formerly, Mr. Morrison said. Building and stock values have risen sharply. They continue to rise. Also, profits, payrolls and expenses are substantially increased. He said his own company had found that in one store the dollar amount of profits before taxes had increased 75% in a year. A considerable portion of these profits will be taken by the government in excess profits, and some retailers are wondering how they can insure those profits that mainly accrue to the taxpayer, in a coinsurance form.

Discuss Three Specific Losses

Three of the controllers discussed stock and use and occupancy losses their companies had suffered in recent months. All three expressed complete satisfaction, with only minor exceptions, with the settlements of adjusters and companies and the way in which these settlements were reached. The three controllers were R. W. VanHorn of the J. Goldsmith & Sons Co., Memphis; E. J. Komarek, Kobacker Stores, Toledo, and H. E. Stokes, Rike-Kumler Co., Day-

ton. Chairman of the session was E. M. Brock, controller of Lord's, Evanston, Ill. About 400 attended the session.

The Goldsmith department store loss was more than \$410,000, about \$4,000 of it from fire and the remainder from water—rain, sprinkler leakage and from fire fighting. Mr. VanHorn explained that the insurance was carried on a 90% coinsurance basis but that the amount purchased was 100%. The additional 10% he said the company regarded as "a margin of security."

"Few of us," Mr. VanHorn said, "realize the security we buy with the insurance dollar or the service rendered by the underwriter." He praised highly the functions of insurance and the fairness of the companies and adjusters in settling losses.

Pontiac, Mich., Settlement

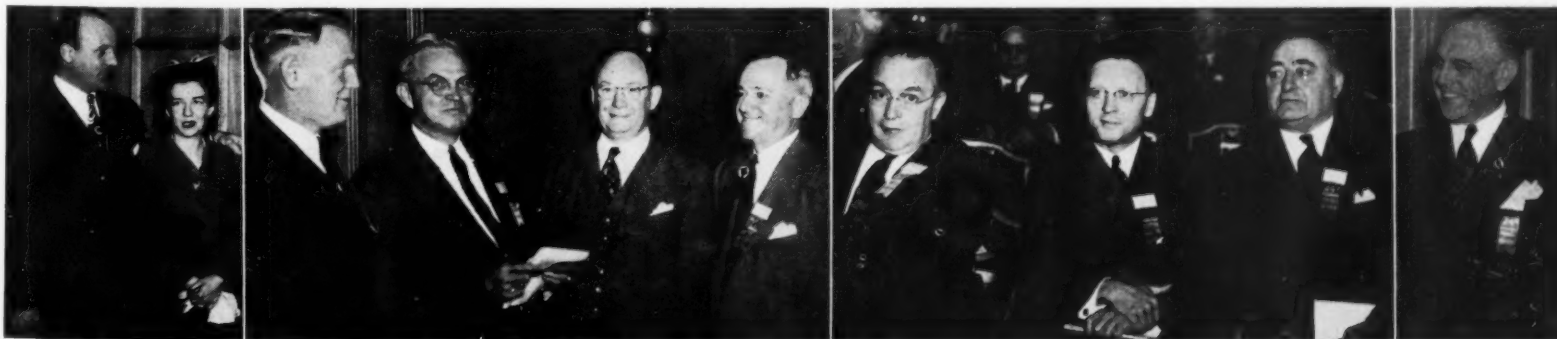
The Kobacker corporation's store at Pontiac, Mich., was severely damaged by fire last Nov. 16, and the loss was approximately \$800,000 on building and contents and under U. & O., Mr. Komarek said. Although the building had been appraised 90 days before the fire and the insurance values were properly adjusted, the company suffered a 2% penalty on the building item. Under the U. & O., the store took a 4% coinsurance penalty because its net profits had been underestimated. They were set at 10.5% in the policy, but on analysis after the fire were found to be more than 11%. For this reason, he said, the prospective earnings form is probably preferable to the contribution form, especially in these times when it is so hard to keep up with values. The company buys the prospective earnings form on its other stores, but could not get the line fully absorbed in the market for the Pontiac unit on this form.

Store Still Out of Business

The Pontiac store is still out of business, though the rebuilding of the fourth floor and repairs on the remaining portion are expected to be completed in October. The WPB permit did not cover rebuilding of the fifth floor, used for storage, shipping, receiving, etc. The fourth and fifth floors were totally destroyed by the fire. The company was fortunate to secure priorities and materials, Mr. Komarek said.

Negotiations with the companies proceeded for some time on the U. & O. loss, but it was finally settled on the basis of 11 months. It was a considerable adjustment, Mr. Komarek said. The adjusters were very helpful and took the position that neither the companies nor assured were responsible for governmental restrictions embodied in L-41 and its amendments.

He said he was convinced the companies are entitled to charge additional premium for delays caused by federal law and regulations. However, this does not cover the whole problem faced



AS SEEN BY CAMERA OF HARRY H. FULLER, DEPUTY U. S. MANAGER ZURICH, AT INSURANCE COMMISSIONERS GATHERING:

A. J. Borah, chairman Illinois Industrial Commission, and Mrs. Borah; J. B. Gontrum, Maryland, retiring chairman executive committee; J. S. Williams, III, Mississippi, retiring president; C. F. J. Harrington, Massachusetts, new president; Jess G. Read, Oklahoma, secretary; Ralph Alexander, deputy, and Gregg L. Neel, Pennsylvania commissioner; W. A. Sullivan, Washington commissioner, and J. H. Graves, Arkansas commissioner.

by the department store. If there is a serious loss, the store may be out of business two or three years. More coverage is needed, but it may cost four times and not twice as much as the U. & O. needed in normal times.

Mr. Komarek deplored the looseness with which department stores draw leases. They often assume liabilities for rebuilding, for payment of rent, taxes, etc., which might well aggregate, in case of fire, a greater sum than the insurable property and U. & O. values. Some of these liabilities cannot be insured; some are not ordinarily insured by assured.

The loss described by Mr. Stokes involved a warehouse for storing furniture, household wares, and infants wear sold by his store. Most of the loss was caused by water damage when 163 sprinkler heads opened. This was caused, it is believed, by close packing of merchandise so that the fire spread laterally and when it broke through enough to open a head, it was already spread beyond the area controlled by that head. Too close packing is probably typical of conditions in department store warehouses, he said. The warehouse otherwise was in proper order. An insurance company inspector had approved conditions an hour before the fire.

Insure Layaways at Retail

Mr. Stokes and other controllers emphasized the necessity of insuring layaway merchandise, in warehouse or store on a retail basis, and of so reporting the values. Otherwise this stock may be insured as with other items on a cost or wholesale basis.

A controller asked how he might properly depreciate his building so as to comply with a 90% coinsurance clause, at the 2% permitted by the government for tax purposes or at a lesser percentage? He said he had his insurance in four companies. One company said 1% is proper, the others haven't committed themselves.

1% Depreciation About Right

William J. Montgomery, vice-president of the Ernest W. Brown reciprocity, said something around 1% probably would be acceptable to the insurers, depending somewhat on upkeep. The insurers, he said, probably would accept the figure set by a good appraisal company. The controller said his building was appraised at \$160,000 a year ago, twice what he paid for it, and is now worth on a replacement basis \$175,000.

Frank L. Erion, independent adjuster, Chicago, and H. E. Minty of T. H. Mastin & Co., Kansas City, were other insurance men at the meeting.

Mr. Morrison urged retailers to do all they can to get the new New York fire policy adopted in their states. It is a much improved form, he said. He praised the new compensation rating plan advocated by the National Council on Workmen's Compensation.

Claim consciousness has decreased in the present prosperous times but the cost per claim has gone up under general liability, Mr. Morrison stated. When stores fail to maintain their premises properly they make it very hard for the insurance company to defend against fake or dishonest claims, he said. The percentage of pedestrian injuries on both coasts is up because of dimouts and they are 10% more costly, he observed.

Infidelity losses have increased, Mr. Morrison stated, due to more employees, less selectivity, inadequate supervision and control, and more cash transactions. He advised letting the bonding company investigate employees under fidelity coverage.

He said that merchandise that can be replaced only with difficulty, if at all, should be insured under the fire policy at retail so that the store can get its profit in case of loss.

"Do everything you can to prevent losses," Mr. Morrison urged. "The



GROUPS AT MEETING OF NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS AT BOSTON:

E. L. Scheufler, Missouri commissioner, and E. M. Griggs, associate general counsel National Board; Vestal Lemmon, casualty actuary, and J. P. Gibbs, casualty commissioner of Texas.

Conn. Agents Hold Mid-Year Gathering

By RALPH E. RICHMAN

WATERBURY, CONN.—President Edwin S. Cowles, Jr., of the Connecticut Association of Insurance Agents opened the mid-year meeting here Wednesday morning. A. J. Mastriano, chairman membership committee, reported present membership at 468, up 29 from a year ago. The membership goal to Sept. 1 is 550.

Mr. Cowles said that a financial responsibility bill failed of passage in the last legislature because of opposition of the automotive trades. He predicted that these trade groups will seek to modify the agency qualification law to permit automobile dealers to become active in selling liability insurance.

L. F. Whelan, Greenwich, chairman public relations committee, told members that two-thirds of Connecticut's quota for the national public relations fund has been subscribed. Hartford, Waterbury, Greenwich, New London, Middletown, Stamford have subscribed their quotas. An effort is being made to complete the state quota subscription by July 1.

Premium financing is more accurately described, according to Robert J. Owen, manager First Banccredit Corporation, Boston, as planned insurance purchasing. A first consideration in use of the credit should be the buying of insurance to the greatest advantage of the buyer as in the writing of policies for long terms instead of on the annual basis. In event of bankruptcy or foreclosure the financing plan takes care of the agent because the premium is always kept paid somewhat in advance. Great progress has been made, Mr. Owen said in simplifying forms to be filled out by agents and assured and in cutting costs of the service. Often an agent can arrange special payment plans to conform to the seasonal income character of the business buying insurance. First Banccredit payments are 65% on the annual plan, 20% on semi-annual or quarterly and 15% monthly. It is not firms hard pressed for money that use premium financing plans. Today premium financing involves about ninety to one hundred million dollars.

Jesse W. Randall, vice-president Travelers, said comprehensive liability contracts grew out of insurance buyer's

(CONTINUED ON LAST PAGE)

Confer in San Francisco

SAN FRANCISCO—It is expected the committee appointed to represent

country cannot afford losses in men or property.

"Ask for the coverage you want. Don't accept the word of your insurance man that it isn't written that way. If you ask vigorously enough, you'll get it."

the insurance business in conference with the War Manpower Commission regarding uniform exceptions for the business as a whole under the 48-hour work week directive, will meet with the WMC representatives this week. The committee headed by Charles C. Hannah, vice-president Fireman's Fund, has prepared plans to make a proper presentation to the WMC. The interests here have worked in concert.

Public Relations Fund for Agents Being Pledged

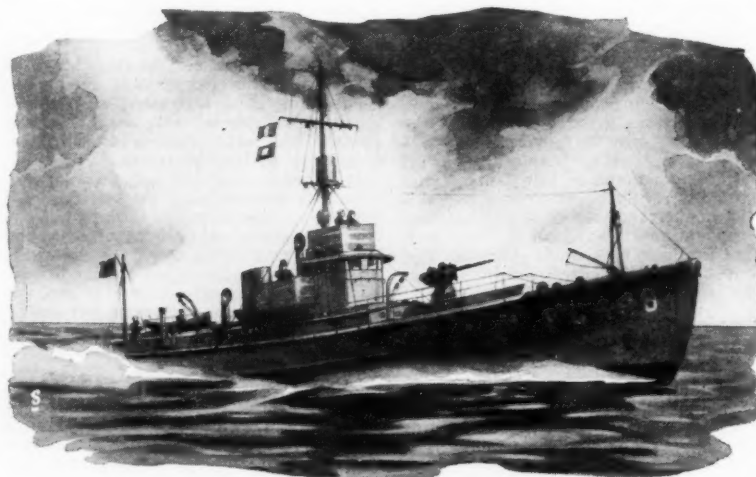
NEW YORK—The first \$100,000 of the \$300,000 minimum public relations fund now being raised by the National Association of Insurance Agents has been pledged and nearly \$60,000 of the amount has been paid in cash, headquarters here announces. The amount pledged to date is more than \$107,000. Considerably more is known to have been collected in the states but not yet reported.

Maryland leads to date with 143% of its quota, closely followed by Virginia with 140%. Next comes Utah, first state to pass the 100% mark, with 116%, and Oklahoma with 114%.

M. L. Warner, formerly with Black, Rogers & Co., New Orleans, has been commissioned a second lieutenant in the signal corps.

Wm. G. Mussen, Jr., special agent in Detroit for Fidelity & Deposit, has been commissioned lieutenant (j.g.) in the Navy.

GUARDIANS OF THE SEA



To meet the need for small craft for convoy and patrol duty in the first World War, a modification of the big motorboats used for pleasure cruising was built. Known as Submarine Chasers, they carried only one or two small guns, but had several depth charges as well as equipment for locating submarines under water. Rugged little ships, they crossed the Atlantic under their own power. The modern sub chaser is larger and more comfortable than the old. In addition to

depth charges against submarines, they also carry light anti-aircraft guns.

In war or peace the U. S. Navy stands ready to help guard the world's shipping lanes. Less dramatic, but also vital, is the protection furnished by marine insurance against today's unusual hazards threatening ships and cargoes. Specialists in marine insurance underwriting since 1872, Appleton & Cox, Inc., offers Agents and Brokers nationwide facilities and a thoroughly trained staff of experts to help solve ocean and inland marine insurance problems.

Appleton & Cox

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OCEAN AND INLAND MARINE UNDERWRITERS

111 John Street, New York

BRANCHES IN PRINCIPAL CITIES

Millers National Sales Letter Contest Winners

The following eight winners have been selected in a nation-wide sales letter contest sponsored by Millers National and Illinois Fire: C. M. Boyd, Sanford, Fla., extended coverage insurance; Scott B. Smith, Warrensburgh, N. Y., fire insurance; Fred T. Rohleder, Niagara Falls, N. Y., rent insurance; Louis Kratochvil, Berwyn, Ill., household inventory; John W. Streit, Chicago, personal property floater; Humphrey & Covill, New Bedford Mass., fur insurance; W. M. Heston, Maury & Heston, Atlanta, jewelry insurance; Mrs. Russell Hausmann, St. Louis, war damage insurance.

The judges were Douglas Doolittle, president of Saleswriting Associates, Inc.; C. M. Cartwright, editor of THE NATIONAL UNDERWRITER; Allan I. Wolff, past president National Association of Insurance Agents and secretary-treasurer of Associated Agencies, Chicago; Briggs A. Hoffmann, vice-president; Lawton - Byrne - Bruner Agency, St. Louis; and Earl E. Vogt, production manager of Millers National and Illinois Fire.

Several Hundred Participants

The contest was a nation-wide pooling of ideas on writing good sales letters, and there were several hundred participants. The letter entries were judged on a point system, and those selected for first awards were those rating highest on points of merit in the opinion of the judges.

Only active insurance agents or brokers or their employees were eligible to participate. Each contestant could win only a single first award.

Winners are receiving a complete "practical prospecting" kit from the companies and a fine personalized leather pocket case.

To all participants in the contest will be sent a portfolio of sales letters embodying the best points of all letters submitted. This portfolio is being edited by Mr. Doolittle.

The contest was successful and indicates that alert agents are revitalizing their sales letters, according to Mr. Vogt. Sales letters are being recruited today to help offset the effects of fewer personal calls being made because of gasoline rationing, he said. Well written letters provide the next best way to contact clients and prospects. They pave the way and make it possible to close more sales on first calls, and are definite aids in maintaining sales despite restricted personal calls.

Pekin Whisky Loss Adjusted

The fire loss to the American Distilling Company's rectifying house at Pekin, Ill., March 29, has now been adjusted. It was found that the whisky could be reconditioned and fortified to make it salable and the adjustment hence became a salvaging proposition and any issue as to OPA ceiling price was eliminated. The whisky amounting to 27,000 proof gallons was in copper tanks at the time of the fire. The stock loss is less than \$55,000. Had it not been for the salvage opportunity the loss would have run about \$300,000.

D. A. North in Milwaukee

MILWAUKEE—David A. North, president of the National Association of Insurance Agents, spoke on the National association's public relations program at a dinner meeting of the Milwaukee Board. President Ralph Martin presented the Milwaukee Association of Commerce the cup won by the city in the Inter-Chamber Fire Waste contest.

Krieger Heads Home Service Unit

Walter M. Krieger has been appointed assistant secretary in charge of the service department of Home and William H. Boland is named assistant manager.

Mr. Krieger graduated from Ohio



WALTER M. KRIEGER

State University and then gained experience with the Ohio Inspection Bureau. He went with the North America in 1923 as an engineer and organized its Chicago engineering department later. He was appointed agency superintendent in 1930 and traveled extensively throughout the middle west.

In 1932 Mr. Krieger was appointed assistant U. S. manager of Svea and secretary of Hudson and in 1937 joined Home as special agent in charge of its engineering department in Ohio. In 1939 he was transferred to the home office in the western department and about a year ago was appointed to the service department.

Mr. Boland has been with Home since 1914. He has been identified with brokerage and service work.

WDC Clears Up Mortgagee Point in Its Regulations

Memorandum No. 34 of the War Damage Corporation, which was discussed in last week's issue, clears up a point which has bothered some mortgagees.

The regulations are changed so that under blanket insurance bought by mortgagees to protect their interests which are not covered by borrowers the pro rata distribution clause will follow the mortgagee interest rather than the value of the property. This protects the WDC against under-insurance, as the new basis is in effect a 100% coinsurance provision as to mortgagee interests not otherwise covered by the WDC.

Up to now it has been doubtful whether a mortgagee's blanket policy would act as protection against coinsurance penalties applied against a mortgagee's coverage and against errors and omissions in the latter coverage. The new regulation is that wherever the mortgagee is named as coinsured or loss payee the blanket insurance does not cover.

Other items in the memorandum make steel, concrete and brick bridges and trestles eligible for the fireproof classification despite wooden rails, etc.; abrogates the pro rata distribution clause as respects railway and street railway rolling stock, thereby making it

Public Relations Stressed at Joint Minneapolis Dinner

MINNEAPOLIS—Insurance in all lines has been doing its job well but it has been "hiding its light under a bushel" with the result that the general public has not been given a true picture of the business. Unless companies and agents snap out of their lethargy and complacency and meet the challenge of government-sponsored insurance they will some day find their means of livelihood taken away.

These points were driven home by speakers at a dinner meeting sponsored by the Minneapolis Underwriters Association. Attending were representatives of all branches of stock company insurance, field men, local fire and casualty agents, life agents, surety men, company executives and adjusters. It was the first time such a group had been brought together in Minneapolis.

Should Protect Business

"We have no axe to grind but there are things happening that we should know about to protect our business," President George A. Thompson of the Minneapolis Underwriters Association said. He introduced Richard A. Thompson, president of the Minnesota Association of Insurance Agents, who told of the public relations program sponsored by the National association.

"The public is not properly informed on the functions of the insurance business and if a public relations office is opened I have no doubt we all will be for it," Mr. Thompson said. "As insurance workers we have been asked to donate to all sorts of projects but this is the first time we ever have been asked to give anything for ourselves."

Charles H. Stevenson, manager accident and health department of St. Paul Mercury Indemnity, principal speaker at the dinner, reviewed developments in Washington and elsewhere that threaten the future of privately conducted insurance and asked: "What are we doing about it?"

"It is time for us as companies and agents to take stock of our business," he said. "We have a good case to present and when we do it the public will demand private insurance as opposed to government sponsored insurance."

Insurance Men Elected by A M A

Insurance men elected by the American Management Association at its annual meeting include Vice-president J. L. Madden of Metropolitan Life, treasurer; Secretary H. E. Niles of Baltimore Life, vice-president in charge of the A. M. A. office management division; W. F. Lund, insurance manager United States Rubber Co., vice-president in charge of the insurance division, and Reginald Fleming, Marsh & McLennan, member of the board of directors.

Large Fires Occur in Seattle

Several industrial fires have occurred in Seattle recently involving about \$250,000 insurance. The main plant of the Seattle Brick & Tile Co. was destroyed with damage estimated at approximately \$50,000. A fire in the Nettleton-Baldwin Construction Co. razed the plant and spread to the Johnson Manufacturing Co. and Western Mattress Co., causing near total losses there as well. The Nettleton-Baldwin loss was total to building valued at \$36,000 and about 80% to \$14,000 equipment and \$53,000 stock. Northwestern Mutual Fire had the entire line with no U. & O. coverage. Insurance loss to the Western Mattress Co. probably will approximate \$49,000 on stock and equipment.

unnecessary to carry 100% coinsurance; and permit the insuring of records, accounts, plans, drawings and formulae.

Insurance Women Holding Parley in Milwaukee

MILWAUKEE—The past year has been one of progress for the National



Ada V. Doyle

Association of Insurance Women in spite of difficulties, Miss Ada V. Doyle, Caldwell, N. J., said in her administration report at the annual convention which opened here Wednesday. She stressed the importance of the educational work which various women's groups have done during

the past year. Because of the experience gained, the next year will see even more effort and results along this line, she said. A number of new groups have been formed, largely as a result of the educational program of the National association. She said that after the war the association expects to form groups in Hawaii and Canada. There are organizations in 31 states.

The National Board performs a great many valuable services and has done much of benefit to the public, F. S. Dauwalter, assistant manager, said in his talk. However, these activities are necessarily so broad that they cannot reach every man, woman and child unless those persons who operate the agencies help do the job, he said. Insurance women have the opportunity to tell this story to the public and seek the public's cooperation in what the board is trying to accomplish. The friends they make in their offices, or over a game of bridge, should all know the constructive job the insurance business has done and is doing.

The potential of public cooperation has scarcely been tapped, Mr. Dauwalter said. The board always has sought to awaken a public consciousness to the importance of fire protection and fire prevention and has done much along this line of an educational nature. As a matter of fact, in education alone lies the basis for future progress and much of this education must be conducted through the insurance agents and their employees, he stated.

The war has given insurance women many opportunities to broaden the scope of their activities, Baxter C. Brown, resident vice-president of Fidelity & Deposit, Kansas City, said. Only by taking full advantage of these opportunities can the insurance women contribute their full share to the war effort.

Some of these opportunities, as Mr. Baxter sees them, are to demonstrate their ability to manage an insurance agency, office, or department; to sell insurance inside and outside the office, to underwrite risks, to fill the gap created by induction of men, and to help plan so that when the men come back from the war they will have sound businesses and good positions awaiting them.

New Clause Effective July 1

The new F. C. & S. clause issued by the War Shipping Administration will become effective July 1. While the final terms have not been announced as yet, it is expected that the marine underwriters will follow the government's position and issue a similar clause, which is directly contrary to the British F. C. & S., announced some time ago.

Vernon D. Rooks, assistant director of the Kentucky insurance department, who recently was commissioned a first lieutenant in the marine corps, has received orders to report for duty July 1 at Camp LeJeune, N. C.

Several Personnel Changes in Navy Insurance Division

WASHINGTON — Several changes have been made in the navy insurance division personnel. Rothwell Talbot, who is in the process of being commissioned, has joined the office to supervise payroll audit. Mr. Talbot has served with the New York Central Railroad, New York state compensation fund and as field assistant for Travelers in New York City.

Lieut. O. J. Parker, who operated the Parker & Co. agency in Atlanta, has joined the shipbuilding section of the insurance division.

Several Departures

Clayton G. Hale, who has been with the division since it was organized in the spring of 1942 as assistant chief and property insurance specialist, has returned to his agency in Cleveland because of the press of business and the loss of important staff members. Lieut. (j.g.) C. G. Gilmore, who has been bond specialist, has been transferred to the aviation supply officers school at Jacksonville, Fla. He was recently promoted from ensign. C. K. Fox, who has been supervising examiner in the supply contract section, has been commissioned a lieutenant (i.g.) and will be assigned to ordnance work in Washington. Lieut. Fox was formerly vice-president of Downs & Co., Wilmington, Del., and prior to that with H. W. Brown & Co. and with North America in Philadelphia.

Several new appointments are expected soon. The insurance division, of which Lester F. Beck is chief, is part of the office of procurement and material, headed by Vice-Admiral S. M. Robinson.

Rouillard Boom Started

Friends of former Insurance Commissioner A. J. Rouillard of New Hampshire are urging him to become a candidate for governor next year, according to "Union" of Manchester, N. H. He has not committed himself except to say that he would not be a third candidate, but his friends point to his excellent record as insurance commissioner and the knowledge of state government which he acquired during the 5½ years as a background for the gubernatorial position.

W. J. Grill with Springfield

William J. Grill, who since 1926 has been connected with the New York agency firm of Ross & Grill, specializing in inland marine, has joined Springfield F. & M. as inland marine superintendent in the New York City branch. He has been in the marine business since 1912 starting with Appleton & Cox. He also saw service with W. H. McGee & Co.

SAFETY ENGINEER AVAILABLE

More than 20 years experience in fire and casualty business. Underwriting and adjusting experience also. Draft status 4A. Address replies Box S-10, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

AVAILABLE

Attorney, claim and trial supervisor for substantial mid-western insurance company last seven years. Previous experience in trial, insurance, banking and tax law. Age 38. Draft deferred. Will consider other phases of insurance work provided substantial opportunities offered. Address S-7, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

POSITION WANTED SPECIAL AGENT

17 years experience, underwriting and inspections. Formerly Missouri Inspection Bureau. Prefer Missouri territory. Age 42, draft deferred. Good references. College education. Now employed. Address S-9, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

Hail Adjusters Get Additional Gas Allowance

The chief of the gasoline rationing branch of the Office of Price Administration has issued an order permitting additional gasoline as needed to adjusters of hail losses to growing crops. Hail insurance men had been seeking more gasoline than allowed under the B cards that most of them have. A few have C cards, but need more when working on widely spread hail losses.

In Nebraska the following procedure has been set up and may be adopted elsewhere. The companies certify the names of the adjusters they will use to the district OPA office. Adjusters then will be furnished with a form, partially filled out by the companies. Adjusters will then go to their local boards and will receive cards entitling them to get an estimated additional amount per month for the three months during which crops are growing and being harvested. This three-month period would vary somewhat with the section of country. The gasoline is to be used for adjusting hail losses to growing crops only. If the adjuster needs more than the estimate, he can go back. He can get what gasoline he needs, even if he has to go back to his board two or three times for more because of additional hail storms.

The OPA order commented that it appears that the adjustment of hail losses on growing crops requires "highly skilled services," and that such adjustment is necessary to the functioning of agriculture. Consequently these adjusters are entitled to preferred mileage and previous OPA orders contrary to this are overruled. It was made clear that no eligibility exists for preferred mileage for selling insurance or for other types of adjustments.

Unemployment Tax Case in Illinois Is Appealed

The case of New York Life vs. Murphy is being appealed to the Illinois supreme court. In April, Circuit Judge Feinberg in Chicago upheld Labor Commissioner Murphy's view that the Illinois unemployment compensation tax applies to insurance companies and offices on agents' commission earnings from the inception of the tax in 1937 to July 1, 1941, when the act was amended specifically to exclude insurance brokers and agents. The case is of wide interest in Illinois because it is expected to govern the payment or non-payment of tax by all insurance companies and offices that paid agents commissions during that period. The unemployment compensation commission took waivers from a great many of the offices last year in order to preclude having to sue all of those who might possibly be liable for the tax before the statute of limitations expired.

Joseph W. Townsend of Scott, McLeish & Falk, Chicago, represents New York Life.

Special Agents Winners in Annual Spokane Tourney

Special agents defeated local agents in the Spokane insurance fraternity's annual traditional match which was held at Spokane Country Club. Following the match, the agents and fieldmen held a banquet at which prizes were awarded to winning contestants. E. M. Leonard, America Fore group, captured low gross honors in the golf match. R. H. Alton was golf chairman.

G. L. Bryan, Bryan & Nelson agency, was toastmaster at the banquet. Talks were made by C. P. Carroll, president Washington Agents Association; Harry Keegan, president Inland Empire Fire Underwriters Association; R. E. Hall, deputy commissioner; Charles Erant, Washington Surveying & Rating Bu-

reau, and H. T. Anthony, Spokane agent.

Gladstone Agency Feted

NEWARK—Field men of companies represented in the W. C. Horton agency at Gladstone, N. J., tendered a dinner to Mrs. J. M. Gimber, sole owner of the agency, on its 50th anniversary. G. H. Martin, New York Underwriters, gave an inscribed sterling silver bowl to Mrs. Gimber on behalf of the field men. Mrs. W. C. Horton, widow of the founder, was a guest.

Among the companies represented in the Horton agency are Continental and Queen, 50 years; Hartford, 43; New York Underwriters and North America, 42; Standard of N. J., 40, and Hartford Accident & Indemnity, 25.

Johnson Texas Quota Director

Alfonso Johnson, manager of the Dallas Insurance Agents Association, has been appointed general chairman for Texas for the raising of the quota for the national public relations campaign. The directors of the Dallas exchange have voted to allow Mr. Johnson sufficient time from his regular duties to direct the campaign.

The "A B Cs of Wartime Driving" helps sell auto insurance. Write National Underwriter for samples.

Bill in House for Return of WDC Premiums

A bill has been introduced in the House by Congressman Gifford providing for return to policyholders of War Damage Corporation of any final balance remaining after payment of losses and expenses. There is a provision that the expenses shall include office expenses, salaries, clerical hire, rents, producer's fees and fiduciary agent's fees, interest on any money borrowed, an allowance for the "risk of capital" based on the billion dollar credit established by Congress and computed at the average rate of gross premium charge, and any sum which shall be determined to be due to any insurance companies on account of any participation agreement. In computing losses and expenses, according to the bill, there would be excluded all losses and expenses for which no premiums were paid to WDC. It provides that the return of premiums shall be made within one year after all losses incurred shall have been paid or ascertained or within two years after hostilities shall cease, whichever event shall first occur. It is provided that there would be no return of any amount less than \$1.

Senator Brooks of Illinois has introduced a similar bill in the Senate.



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NEWS OF FIELD MEN

Ressler Heads Ind. Blue Goose; Other Groups Elect

E. P. Ressler, National of Hartford, was elected most loyal gander of the Indiana Blue Goose at the annual meeting. Jesse E. Miller, Ohio Farmers, becomes supervisor; Don G. Kaga, Secured Fire & Marine, custodian; Walter H. Polsz, Sun, guardian, and E. P. Carson, Continental, keeper. Irving Williams, Rough Notes Company, was reelected welder.

F. D. Payne, New York Underwriters, retiring most loyal gander, presided. A. W. Schmadeke, Atlas, past most loyal gander, presented Mr. Payne a past most loyal gander pin.

Support was pledged to the candidacy of J. Ray Hull, American States Fire, for a place on the grand nest staff at the 1944 meeting. The Indiana delegates to the grand nest in Denver this year as elected are E. P. Ressler and Jesse E. Miller, with Messrs. Hull and Payne as alternates.

A memorial service was held for Don S. Davis, Royal; R. G. McCullough, Fireman's Fund, Chicago, and W. H. Reitzell, Underwriters Adjusting. J. A. Bawden, Springfield, presided, and tributes were presented by G. R. Pritchett, American; Burke G. Slaymaker, insurance attorney, and Joe N. Cline, Underwriters Adjusting.

L. R. Swanson, Springfield, and L. B. Moore, attorney, were honor guests, having recently left Indiana for Illinois. On behalf of the pond each was presented a gift.

Dana L. Jones, past most loyal gander of the Indiana pond, now at the home office of Ohio Farmers, installed the new officers. The Indiana pond now has 259 members, 20 of whom are in the service.

A telegram of greetings was received from Howard A. Reynolds, San Francisco, most loyal grand gander. Harold L. Newton, recently appointed state

agent of Boston and Old Colony for Indiana, was introduced.

The Indiana Fire Prevention Association elected A. E. Bulau, Home, president; J. W. Byrne, Firemen's, vice-president, and Don G. Kaga, Secured Fire & Marine, secretary-treasurer.

At the annual meeting of the Indiana Fieldmen's Relief Association, Homer G. Meek, London Assurance, presided. Jesse E. Miller, Ohio Farmers, secretary-treasurer, made the financial report. James A. Bawden, Springfield, and Lynn D. Swisher, Norwich Union, were elected trustees.

Tennessee Field Groups Elect

NASHVILLE—The three organizations of Tennessee field men held a brief annual meeting here. The Tennessee Fire Underwriters Association elected W. P. Rankins, Scottish Union, to succeed H. B. Paschal, Royal-Liverpool, as president; Patrick H. Roberts, Boston, vice-president; George B. Harbison, America Fore, secretary-treasurer, and Leon McGilton, H. B. Paschal and R. H. Gustetter, members of the executive committee.

C. E. Griffith, Travelers Fire, was elected president of the Tennessee Fire Prevention Association; E. P. Turner, Jr., New Hampshire Fire, vice-president, and George Harbison, reelected secretary-treasurer. Plans were made for the expansion of the association's inspection work, which was greatly curtailed the past year by restriction on gas and tires. George L. Frank, Aetna Fire, gave a report on exceptional fire prevention work done in Greenville.

The Tennessee Blue Goose elected Harold Trickey, St. Paul Fire & Marine, most loyal gander; J. K. Recktenwal, America Fore, supervisor; Felix C. Ray, Aetna Fire, custodian; J. M. Simmonds, D. Cliff Stone agency, guardian; C. F. Zehnder, Jr., C. F. Zehnder Agency, keeper, and George M. Egbert, North British, reelected welder.

The following were initiated: Henry Forrester, Henry McCall, F. E. Van Deman, O. L. Dobbs, E. C. Wanger, J. H. Dixon, Burt Haggard and R. J. Woodfin.

Wis. Field Groups Meet in Milwaukee June 21-22

MILWAUKEE — Plans have been completed for the annual meetings of field groups here. The Wisconsin Blue Goose will meet the evening of June 21, at the Hotel Schroeder, for election and initiation followed by a buffet luncheon and entertainment.

The Wisconsin Fire Underwriters Association and Wisconsin Field Club will hold separate annual meetings Tuesday morning at Ozaukee Country club, north of the city. A joint get-together luncheon will be held, with golf, baseball, cards and other sports during the afternoon. The banquet will be stag, with awarding of prizes and entertainment.

Arrangements are in charge of D. W. Swanson, St. Paul Fire & Marine, chairman; Allen Larson, Fireman's Fund, and T. A. Hites, Boston and Old Colony.

Sands Named to Head Alabama Blue Goose

BIRMINGHAM — H. H. Sands, Montgomery, special agent Royal-Liverpool group, was elected most loyal gander of Alabama Blue Goose at the annual meeting to succeed D. S. Overton of Johnson, Overton & Co., Birmingham. Other new officers are: Supervisor, H. A. Howell, American

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A System to FINANCE
INSURANCE PREMIUMS
WHITE PLAINS, N. Y.

group; custodian, W. W. Branch, Great American group; guardian, E. F. Marquardt, Cotton Association; keeper, R. N. R. Bardwell, Jr., Fire Companies Adjustment Bureau, and welder, C. H. Avery, New York Underwriters.

Messrs. Overton and Sands were elected delegates to the grand nest meeting at Colorado Springs in September. New members initiated were Owen Waters, Security Fire; Carl Ackis, Alabama Inspection & Rating Bureau; M. J. Dillard, adjuster, J. L. Wilkey & Co., and L. B. Hunter, engineer Southeastern Underwriters Association.

An outing was held at Camp Cosby in lieu of the annual banquet and dance. The women's auxiliary named Mrs. H. H. Sands president to succeed Mrs. W. W. Branch; Mrs. Hab Matthews, vice-president; Mrs. C. H. Avery, treasurer, and Mrs. Dave Johnson, secretary.

Louisiana Pond Elects Foster as New Head

NEW ORLEANS—H. F. Foster, Jr., state agent Automobile, was elected most loyal gander of Louisiana Blue Goose at the annual meeting. Other officers are: Alvin Shepherd, general

agent, supervisor; Edward T. Miazza, army, custodian; Louis Ducournau, state agent Corroon & Reynolds, guardian; J. L. DeTreville, state agent St. Paul, keeper; Jules E. Simoneaux, Henry A. Steckler agency, welder.

In an initiation directed by Gander Ted Hickey, the following men were initiated: Carl Schumacher, St. Paul; Clarkson Brown, Phoenix of Hartford; Everett McCloskey, Louisiana Rating & Fire Prevention Bureau; C. E. Norton, Home; O. J. Schooley, Aetna Fire; Stanley Welch, North British & Mercantile; Louis Schneider, American of N. J. L. E. Vauthier, Godchaux & Mayer, delivered the charge.

Most Loyal Gander Herman Hollan, Hartford Fire, reported on war activities of the pond, members devoting much time and effort to fire prevention work. Welder Simoneaux is serving his eighth term. Membership is 155.

Illinois Pond Annual Parley June 28: Campbell Slated

The annual meeting for election and installation of officers of the Illinois Blue Goose has been scheduled for the early afternoon of June 28 in the Chicago Board auditorium. The nominating

committee headed by Ralph Danforth, Millers National, has completed the slate.

Don Campbell, credit manager of America Fore, is scheduled to be advanced to most loyal gander succeeding J. P. Jana of Hanover. E. M. Eichenberger, Royal-Liverpool, will become the new supervisor; John Hon, Firemen's, custodian; J. Lewis Cassell, London Assurance, is the new man on the slate, being named for guardian. A. J. Meyer, Automobile, the perennial keeper, is recommended for reelection and Sherman Leseth, Standard Accident, for reelection as welder.

Advance registrations indicate there will be a splendid turnout for the Illinois Blue Goose dance at the Edgewater Beach Hotel, June 22.

Klinkenberg, Thompson Head N. D. Field Groups

FARGO, N. D.—At the annual meeting here of the North Dakota Underwriters Association these officers were elected: President, R. J. Klinkenberg, Norwich Union; vice-president, C. H. Christensen, Great American; secretary, K. J. Stoike, Security. C. H. Christensen, Great American, was named chairman of the executive committee. Other members of the committee are: H. A. Paulson, North America; H. F. Morris, North British; S. E. Bickard, New York Underwriters; O. A. Schollander, St. Paul Fire & Marine; R. J. Klinkenberg, Norwich Union; K. J. Stoike, Security.

The North Dakota Fire Prevention Association named these officers: President, R. F. Thompson, Hartford Fire; vice-president, R. J. Klinkenberg, Norwich Union; secretary, Ray B. Swanson, Home.

C. H. Mahn Is President of Mo. Fire Underwriters

The Missouri Fire Underwriters Association and the Missouri State Fire Prevention Association held their annual meetings at Rockaway Beach, Mo., the gathering closing with a joint banquet.

C. Hohman Mahn, state agent of Springfield Fire & Marine, St. Louis, was elected president of the fire underwriters; Guy E. Dixon, Great American, Kansas City, vice-president; Fred S. Slagle, Automobile, Kansas City, secretary-treasurer, and Mrs. L. M. Burnett, assistant secretary. The executive committee will be appointed later.

The new officers of the fire prevention group are: President, W. O. Woodsmall, Fire Association, Kansas City, and vice-president L. B. Eiper, St. Paul Fire & Marine, St. Louis. The secretary will be selected later.

Earl V. Neuberger, Springfield Fire & Marine, and J. C. Hupp, Security of Connecticut, were appointed the underwriters' entertainment committee.

Dakota Blue Goose Elects

When the Dakota Blue Goose met at Milbank, S. D., it elected as officers: Irving J. Peet, Fire Underwriters Inspection Bureau, Fargo, most loyal gander; W. C. Foster, Western Adjustment, Sioux Falls, supervisor; H. F. Morris, North British, Fargo, welder; Manuel F. Blanco, St. Paul Fire & Marine, Aberdeen, custodian; R. J. Klinkenberg, Norwich Union, Fargo, geper; C. P. Dalbey, Northwestern Fire & Marine, Sioux Falls, guardian.

N. J. Field Club Meeting

The New Jersey Field Club will hold a luncheon meeting in Newark June 28, the last meeting of the season.

Robert F. Moss, vice-president of the Scientific Concrete Service Corporation, Washington, D. C., formerly representative in Japan of the Truscon Steel Co., will speak on "Our Enemy, Japan."

Ohio Blue Goose Outing

There was a large attendance at the outing given by the Ohio Blue Goose

THE PHOENIX-CONNECTICUT GROUP of Fire Insurance Companies



The Phoenix
Insurance Company, Hartford, Conn.
1854

The Connecticut
Fire Insurance Co., Hartford, Conn.
1850

FOUITABLE
Fire & Marine Insurance Company
PROVIDENCE, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
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A Contractor's Equipment floater is the one up-to-date over-all coverage that protects such vital machinery and equipment. Use the attractive poster in our June Broadside to remind your public of this potential premium producer—don't miss it!

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SECURITY INSURANCE COMPANY • THE EAST & WEST INSURANCE COMPANY
OF NEW HAVEN OF NEW HAVEN
THE CONNECTICUT INDEMNITY COMPANY

1841 • SECURITY—THE NATION'S WATCHWORD • 1943

at the Brookside Country Club in Columbus. There was golf and bridge in the afternoon and a buffet dinner and dancing in the evening. Fred I. Sipp was in charge of the golf and the Blue Goose golf trophy was won by F. A. Dickerson. Mrs. A. S. Snow was in charge of the women's bridge party, the bridge prize being won by Mrs. Harold Ritter.

Snapp with War Department

Dean B. Snapp, special agent in southern Illinois for American of Newark, with headquarters at St. Louis, has accepted a position as war plant inspector with the continuous security division of the war department.

Mr. Snapp is a graduate of Armour Institute where he specialized in fire protection engineering before entering the field.

Special Agent Frank A. Nelson will continue to supervise southern Illinois from offices in St. Louis.

Henry G. Peterson's Change

Henry G. Peterson, who has been special agent for the Daly General Agency of Denver in the mountain field, has become connected with the Phoenix of Hartford group as special agent, associated with State Agent H. W. Schwartz. He has traveled in the Rocky Mountain territory for a number of years.

Hershey F. & G. Fire State Agent

William Hershey, formerly with the Western Adjustment at Chillicothe, Mo., and Wichita, Kan., has been named state agent of Fidelity & Guaranty Fire, succeeding Denzil G. Rogers of Kansas City, who has been transferred to the home office at Baltimore.

Rearranges Texas Field Work

Following the recent death of State Agent Carl M. Hunt, American of Newark is rearranging its Texas field

work. Fred H. Adams, special agent with headquarters at Abilene, and Wilbor Cecil, special agent at Houston, after July 1 will have headquarters in Dallas and will divide the responsibility for Texas field supervision.

Holm with Fireman's Fund

Perry Holm has joined the Fireman's Fund group at Cleveland as engineer-special agent, replacing George Wheaton, field man who has been granted leave of absence to enter the army service. Mr. Holm has been a rating engineer of Ohio Inspection Bureau and connected with that organization for 13 years. He is operating under the direction of State Agent Walter Sawyer from the Cleveland headquarters, 878 Union Commerce building.

Blackall Honorary Member

The Connecticut Field Club has elected Commissioner John C. Blackall as an honorary member. Its executive committee consists of S. Gray Tracy, Connecticut Fire; W. G. Bailey, Scottish Union; Donald Dick, Caledonian; Henry G. Griswold, Fire Association; William Downs, Hartford Fire; Reinold Parker, Standard, Ct.; Harry Jordan, Hartford Fire; Parker Spaulding, America Fore and A. Morton Dexter, North America.

Flowers With Cravens, Dargan

Truman A. Flowers, formerly with Hardware Mutual at Stevens Point, Wis., has been appointed field man for Cravens, Dargan & Co., for Sacramento and San Joaquin valleys in California.

The Crum & Forster Indiana state office has taken new quarters at 703 Electric building, Indianapolis. R. O. Richards is state agent, and R. S. Walsh, Max D. Miller and R. C. Myers special agents. O. H. Rudy, general agent of Richmond, has also space in the office.

R. R. Miller, chief probation officer

IN U. S. WAR SERVICE

Lieut. Comm. John Kremer, Jr., U. S. N. R., son of John Kremer, retired vice-president of the North America, has been cited by the British Admiralty for "material assistance in the North African campaign." Before entering service, Commander Kremer was manager of the Newark office of Indemnity of North America. This is the second time a North America man in the service has been cited for bravery. Recently, **Lieutenant Merl H. Scheffey** received the distinguished flying cross. The British Admiralty recognized Lieutenant Commander Kremer for his work with a party of American enlisted men of the mine laying service in disrupting Axis supply lines to Tunisia. He is in charge of the United States naval ratings attached to the British mine fleet. He has been a member of the naval reserve since the last war, when he served as an enlisted man overseas. He returned to active service in May, 1941, as lieutenant and was promoted last year while in action in the South Pacific.

R. B. Chamberlain of Cincinnati, special agent of Fidelity & Deposit, has been commissioned an ensign in the navy and will report for special training at Norfolk, Va.

The son of **M. L. Brownlow**, manager of Underwriters Salvage, Chicago, and the son of **John McGregor**, assistant manager, are in service. James W. Brownlow is in the combat intelligence division of the army. Jack McGregor has just graduated from West Point as a 2nd lieutenant and is now training as an air cadet.

Robert F. Powrie, son of Lewis H. Powrie, local agent of Muskegon, Mich., and grandson of Manager A. F.

San Francisco Juvenile Court, spoke to the **San Francisco Blue Goose**.

Powrie of the western department of Fire Association, is now at Camp Crowder, Mo., a member of the army signal corps. He attended North-western University and entered the service from there.

John W. Wright, special agent of North America in western Pennsylvania, has entered the navy.

Lieut. Benjamin H. Paddock, secretary of General Underwriters, Detroit, on leave in the navy, has been assigned as personnel officer at Colgate University's naval flight preparatory school at Hamilton, N. Y.

Bert Stewart, Jr., public relations director and editor of the "National Motorist" of the National Automobile Club, with headquarters in San Francisco, has been inducted into the army. He is succeeded for the duration by Mrs. Elizabeth Hanchett Hecox, formerly with the San Jose "Mercury-Herald."

James E. Smith, manager of the automobile liability department of Patterson, Wyde & Windeler and former president of the Association of Casualty Underwriters of Boston, has entered the army.

Five members of the home office staff of **Buckeye Union** in Columbus are now in the navy and 17 in the army.

George H. Rich, son of W. G. Rich, assistant manager Pacific department of Royal-Liverpool groups, and formerly with the San Francisco city department of Globe Indemnity, has been commissioned pilot officer in the Royal Canadian Air Force. He visited his parents in San Francisco prior to being sent overseas.

Uses New N. Y. Policy in Ohio

Allied Fire of Utica has adopted the 1943 standard New York fire insurance policy for use in Ohio, effective July 1, the date the policy becomes effective in New York state.

REINSURANCE

Inter-Ocean

REINSURANCE COMPANY

CEDAR RAPIDS, IOWA

90 JOHN STREET
NEW YORK

114 SANSOME STREET
SAN FRANCISCO

AS SEEN FROM CHICAGO

PEPICH WITH JAMES & CO.

Stephen T. Pepich has become associated with Fred S. James & Co. in Chicago, as supervisor of the Cook county department. He has had much experience in insurance, having been an underwriter of North America, as special agent with Commercial Union Assurance and later with Critchell Miller agency. He will develop their brokerage business. Mr. Pepich is a graduate of the Auditorium Musical College and is conductor of a leading choral club.

SCHLACHT WITH KOMAIKO

David L. Schlacht has been appointed manager of the office of S. B. Komai agency, Chicago. Mr. Schlacht has been in insurance 23 years. Practically all of that time he has been with R. A. Napier & Co. He was with that agency 22 years, most of the time as assistant fire underwriter.



D. L. Schlacht

Mr. Schlacht is widely acquainted among insurance people in the Insurance Exchange building. He assumed his new duties on June 15.

MANY HAIL AND WIND LOSSES

Companies report a number of losses by hail in the central west where the weather has been so uncertain. Owing to the fact that many people now take extended coverage hail claims have become far more numerous. Most of them are due to damage to roofs and then come broken window panes. In some localities the hail was very heavy and hence claims were higher. Most claims are \$50 or less.

A general windstorm accompanied by hail that was pretty generally spread over the entire state did considerable damage in Nebraska last Friday. A similar storm with almost as great a spread occurred on Sunday. Losses are expected to run in excess of 1,500, but they are scattered widely and no accurate estimate of the total number or the average loss has been made. Both storms appeared to center around McCook, and did more damage in that general area than in the remainder of the state.

Many hail claims came from Indiana, Oklahoma and parts of Texas.

In connection with the hail there have come a number of tornado claims from these sections. Loss departments have been kept busy. The claims were usually small or moderate.

JONES & SONS OUTING

The R. B. Jones & Sons agency will hold its annual outing June 19 in Lincoln Park, Chicago.

AETNA'S HISTORICAL DIRECTORY

The Chicago and Cook county department of Aetna Fire under Manager F. J. Sauter is presenting to a number of friends a copy of the Chicago city directory of 1844. This is in honor of the 100 years of service of the Aetna Fire in Chicago, it having established an agent, Gurdon S. Hubbard, in Chicago, June 3, 1843. The bound volume is an exact copy of the Chicago direc-

tory of that year. In addition to the directory there is a description and historical sketch of the city. It is a most valuable and arresting historical volume, one that is attracting much attention.

LYMAN DRAKE'S ESTATE

The will of Lyman M. Drake, senior member of the Chicago agency of Critchell-Miller, who died suddenly at his home in Wilmette, was filed in probate court, the estate amounting to \$503,000.

\$65,000 LUMBER YARD FIRE

The fire that swept the yards of the Mayfair Lumber Co., 4823 Lawrence avenue, Chicago, last week, will result in an insurance loss of approximately \$65,000. There was \$67,000 insurance, and the loss is estimated as probably total. The fire broke out at night, and was fanned by a strong wind.

COL HALLE IS RECALLED

Allan I. Wolff, Chicago local agent, in looking over some old Chicago papers ran across an article entitled, "Halle is for America First." Col. E. G. Halle was western manager of the Germania Fire and a prominent citizen of the city. He was president of its board of education. An attack was made on him in the German Reichstag by Liebermann von Sonnerberg, anti-Semite leader. Colonel Halle said in an interview:

"It is nothing more than a pretext on the part of the anti-Semite leader to attack the German government and Dr. von Holleben, its representative here. Now any person who knows the German ambassador here will agree with me that he is the most accomplished gentleman whom the German government ever had here and that it is mainly through his wise efforts that the present friendly relations exist between this government and Germany. The at-

tack upon him is contrary to facts in the case. As to the charges that I am a loyal American citizen, I am proud of it, and will ever be so. I have a feeling of affection for Germany, just as an Irish-American has for Ireland or a French-American for France, but I will not make my duty and love for this country secondary."

BOARD'S FIRST NEWS LETTER

The Chicago Board has now issued its first news letter to members, which is one of the new services that it inaugurated recently in an expanded program. The member-service committee, of which Wade Fetzer, Jr., vice-president of W. A. Alexander & Co., is chairman, is responsible for issuing the news letters. The first issue, accompanied by a special filing folder, dealt with the new Cook county forms, the dwelling and household furniture form No. 29, and other changes. The letters are issued periodically but only when there are changes or new items of sufficient interest to justify the issue.

NEW YORK

M. & M. GETS THOMAS, INC.

The insurance business of John W. Thomas, Inc., of New York is being transferred to Marsh & McLennan. Mr. Thomas, William B. Gray and several other members of the organization will become associated with M. & M.

CO-CHAIRMEN ARE ELECTED

Richard Alba, H. Stanley Hillyer, Inc., and Walter Behan, Atlantic Mutual, were elected co-chairmen of the insurance committee of the Young Men's Board of Trade at its annual meeting.

An open forum discussion on post-war planning for the insurance business was led by Mr. Alba. There was much discussion on the question of government encroachment in the field of private enterprise and on the composition

Crop Cover Appropriation Is Restored by Senate

WASHINGTON—The senate has increased from \$3,500,000 to \$7,818,748 the appropriation for operation of the Federal Crop Insurance Corp. The house had indicated its desire to discontinue federal crop insurance, and the \$3,500,000 appropriation was a "nominal" sum to permit the corporation to run off liability on 1943 crops. Senator Bushfield opposed enlarging the appropriation, stating that the total loss to government of crop insurance plan to date is \$47,000,000, which covers the \$17,000,000 in losses and administrative expenses.

Senator Russell stated private insurers have had approximately the same percentage of loss in the first four years of their operation as the FCIC. In its first years it sold a one year contract. A remarkable map was displayed before the committee showing how increased insurance policies were taken out in areas which had poor prospects for the year, he said. The corporation is now selling a three year policy, and this has not had a fair trial yet.

Unless there is some such insurance, he asserted, there will be demands for appropriations in Congress for relief of farmers in areas which have been flooded or which have suffered crop losses because of insects or other perils. Private insurance will not assume all the risks covered by the government's contract, he stated.

of a resolution expressing the committee's views on it which will be submitted to the board of trade.

HARRINGTON WITH J. & H.

Roby Harrington, Jr., heretofore vice-president of John W. Thomas, Inc., New York City, insurance brokers, has become associated with the insurance brokerage firm of Johnson & Higgins. Mr. Harrington has been in the brokerage business 15 years, having joined the Thomas organization in 1928. For two years preceding he was with National Surety.



Departments—

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PITTSBURGH
SAN FRANCISCO
KANSAS CITY
INDIANAPOLIS
PHILADELPHIA
MONTREAL
TORONTO

American Equitable Assurance Company of New York
Organized 1918

Globe & Republic Insurance Company of America
Established 1862

Knickerbocker Insurance Company of New York
Organized 1913

Merchants and Manufacturers Insurance Company
of New York
Organized 1849

New York Fire Insurance Company
Incorporated 1832

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Tennessee Agents in Annual Meeting

(CONTINUED FROM PAGE 2)

product at a fair price. The automobile industry is an outstanding example, he said. It did not wait for public demand to establish a lower price, and neither should insurance.

One of the perplexing situations which Mr. Johnston's administration faced during the past year was that of a large bank in the state that seemed determined to try out the insurance commissioner's authority to restrict a finance company to the writing of fire, theft and collision insurance on financed automobiles. This issue was settled to the satisfaction of the commissioner, the bank and the agents by the issuance of the limited license. This license is issued only after a finance license has been secured. The county, city and state all have a fee for a financed license, of which the combined cost is at least \$150 in the smallest county.

Public Relations Program

Before the convention started the state association had more than \$4,200 subscribed to the National association's public relations fund, Mr. Johnston reported. One exchange was considering a \$1,500 subscription, and this would bring the state's pledged contribution to approximately the \$6,000 suggested as the amount Tennessee should raise. The Chattanooga exchange came in for \$1,000, and on the strength of that subscription Memphis pledged \$1,500. Amounts were suggested to other exchanges. Two of them did not think enough had been suggested and they increased the amount \$100.

The agents' qualification measure was lost in the legislature, he said. Two insurance bills previously introduced and sponsored by Commissioner McCormack developed opposition over the state, supported by mutual and reciprocal insurers. Opposition by stock com-

panies was strenuous. However, Mr. Johnston said, the experience was extremely valuable and the bill will be introduced again.

The work, duties and some of the views of the state insurance department were discussed by Charles T. Houston, deputy commissioner. Mr. Houston explained that the department collects more than \$2,000,000 a year, approximately 5% of which it spends. He said it is a part of the department's job to criticize those in the insurance business when the need arises, and that agents should reciprocate by pointing out the department's vulnerable spots before it is attacked.

McCormack Opposes Hobbs Bill

Mr. Houston said, with reference to agency qualification laws, that while there are times when the slow and deliberate process of legislation is unsatisfactory, this is one of the penalties that must be paid for a free and democratic system of government.

He said that agents must perform their proper service functions. Otherwise the commission becomes a subsidy and the agent fails to justify his existence.

Commissioner McCormack, he said, is opposed to the Hobbs bill now in Congress on the ground that supervision of the insurance business is a function properly reserved to the several states and one that should not be assumed by the federal government. Mr. Houston said he believed centralization of government has gone too far and that no encouragement should be offered any opening wedge for federal supervision of insurance.

C. E. Griffith, Travelers, brought greetings from the Tennessee Fire Underwriters Association. He urged local agents to make careful inspection of

properties insured and suggest changes that will reduce risk of fire losses, reminding them that "destroyed property that cannot be rebuilt for the duration pays no premiums to the agent."

Harry E. McClain, executive secretary of the Indiana association, was unable to give his scheduled address because of the serious illness of his father.

At the afternoon executive session there was a panel discussion on "The Mixed Agency Problem" led by Will Johnston; one on the "Agents Qualification Law" led by H. H. Corson, Nashville, and "Public Relations Program of the N.A.I.A.," W. D. Pettigrew, Knoxville.

Stuart Ragland, Richmond, Va., made a vigorous talk on agents' problems which is reported elsewhere.

DPC Devising Cover for Floating Power Plant

WASHINGTON — Defense Plant Corporation insurance specialists are working, in cooperation with representatives of insurance interests, in developing a special new form of policy to cover a new type of DPC installation. It is a floating power plant, installed on a barge, and movable along inland waterways or along the coast, to supplement or substitute for regular sources of power for war production purposes.

The new policy form is expected to differ materially from the form used for coverage of ships and cargo, with relation to equipment, engines, etc. The chief value in a floating power plant, it is pointed out, is the machinery and equipment.

DPC generally uses one other standard form of insurance policy, which covers all phases of its projects—construction, warehousing, materials, equipment, etc.

ord June 14. The offering is being underwritten by a group headed by Charles W. Scranton & Co., Smith, Barney & Co., Day, Stoddard & Williams, Inc., and Putnam & Co.

Security's New Shares to Be Sold for \$30

The price at which Security of New Haven will sell 50,000 additional shares is \$30, according to a price amendment which was approved Monday by the Securities & Exchange Commission. Present stockholders will be permitted to buy one new share for every four shares of old stock. The warrants were mailed Tuesday to stockholders of rec-

INSURANCE agents are today facing an unparalleled opportunity to provide adequate protection for industries, properties and homes. Here are several contributing factors:

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Along with the War, changing conditions have created new needs for insurance. Increased income has brought the premium costs of policies within reach of the majority of people.

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Variety of Issues in Expansion Project

(CONTINUED FROM PAGE 1)

local securities. This is not to the liking of many insurers. Yet one way of looking at it is that if a country requires a \$125,000 deposit in bonds of its government it is only necessary to earn a profit of \$12,500 a year for 10 years in order to write off the cost of the deposit.

Analogous to U. S.

Some insurance men familiar with South America feel that that continent may be in a position similar to that of the United States when British companies began to do business here on a large scale. British companies' home offices no doubt had considerable misgivings about tying up funds in deposits in a new country but they did it just the same and came out all right.

One obstacle to large scale expansion of American insurance interests abroad is the high rate of taxation in this country. If these rates remain high after the war the temptation to risk capital in a new venture will not be great. Furthermore, the American companies would be in competition with local companies which would have no income tax to pay or at most a very small one.

A possibility is that as the importance of foreign trade to the national welfare comes to be better understood some allowance will be made so that income earned abroad is not taxed on the same basis as that earned within the United States. Great Britain already recognizes this difference, though it is also true that foreign trade is vastly more important to Great Britain than it is to the United States.

NATIONALISTIC POLICY

Though it need not be the deciding factor, a great deal will depend on what the United States does in the way of promoting its foreign trade after the war. Naturally there will be a big rush to find export markets for our goods, but if the United States attempts to protect with tariff barriers home industries with which imports would compete, our foreign trade will necessarily be greatly hampered. It is axiomatic that there must be an exchange of goods, either direct or indirect, and there must be a balance between exports and imports if trade is to flourish.

American insurers in South America do not depend solely on insuring the business of American concerns by any means. However, if there is a real expansion of trade with South America it will be natural for American businessmen to want their insurable interests protected by American companies.

The most important factor, however, will continue to be the ultra-nationalistic

laws of the South American countries and whether they spread or recede. If the Latin-American countries can see that it is to the benefit of their countries and citizens to allow foreign insurers to compete on an equal footing with domestic companies there should be a big market for American insurance.

American companies are in one sense under a handicap in foreign countries because of the restricted charter provisions under which companies operate in the United States. Insurance buyers in South America are accustomed to buying all of the types of insurance, including life, from a single insurer. However, this does not prove a serious barrier to date and the trend in the United States seems to be in the direction of broader powers so that perhaps by the time the postwar expansion takes place there would be no restrictions on an American company writing all lines except life.

View of Marine Authority

One of the company presidents who is particularly well versed in marine insurance says:

"I have considerable difficulty in giving you a very precise answer because of the obscure economic outlook for the period following the war. If however, conditions are at all like those which preceded the war, I am not at all optimistic over the prospect of American companies operating in South America or Central America. I am projecting my view upon the background of six months spent in traveling these countries just before we got into World War I, and upon contacts over the succeeding years which pretty clearly indicated the growing trend in those countries to nationalize their insurance institutions. The result of this was to make it pretty difficult for the late comers in the field to write a satisfactory book, particularly as the American companies had little access to either the British or German controlled business which was directed to their own national companies.

"However, the world is going to be

so changed, if and when the peace has been won, that these old limitations may well have been swept away and American companies with American finance in a dominant position, might well find open to them doors heretofore absolutely closed.

"The foregoing is neither precise nor helpful and of value only to suggest that to the writer your question can find no very intelligent answer until we are much further along with the present job of making the world safe for decent institutions.

"If I had to determine the question today whether I would assume the responsibility of committing our companies to a policy of post-war expansion, I should say 'no.' This would not be just the counsel of timidity, but the reflection of my belief that nobody can answer your question with sufficient clarity to warrant saying 'yes.'"

Favors Expansion Policy

Another president of an American company has this to say:

"I believe that most of the leading American companies are looking towards the desirability of extending their operations perhaps worldwide, but especially South Americanwise after the war is over. I believe that all companies would like to follow the expansion of American business. The difficulty so far has been the inability to withdraw the premiums from the foreign countries except at a tremendous discount. Our companies are now doing business in Cuba and Mexico but outside of this have not gone beyond the territorial United States. We are not members of the American Foreign Insurance Association though I think that has been a very well managed association."

Depends on Future Conditions

The president of one of the leading American companies has this observation:

"The extent to which this will take place in the future is largely dependent upon post-war developments in the field of economics and trade relations. The outlook for these developments is reasonably obscure at the present time and is affected by the conflicting forces of

improved transportation and communication on the one hand and increasing economic self-sufficiency through technological advance on the other. It seems probable, however, that the larger part of Latin America will be brought into closer economic and political contact with the United States in the post-war period and to that extent there is likely to be a spread of American insurance business to the south. I certainly cannot envision at the moment the spread of American insurance to other parts of the world."

Mutual President's Views

The president of one of the largest mutual companies observes:

"I am not qualified to express any valuable opinion in answer to your question for I have not studied the possibilities of our companies operating in Latin America. My impression is that there would have to be substantial changes in the laws applying to the admission of companies from the United States into most South American countries before entry into those countries would be feasible. At least in some of those countries, it has been the policy to restrict operations to companies the majority of stock of which is owned by citizens, and I suspect it will be the policy of the Latin American countries to encourage the development of their own companies rather than to attract United States companies to operate in direct competition with their own companies.

"I think there might be an opportunity for our companies to supply insurance capacity to domestic companies, that is, reinsurance. Perhaps our companies may participate actively in the marine market. I expect considerable emphasis in the United States on the development of our own capacity so that we will not be left dependent on foreign insurance and, if this happens, our companies might become active competitors in South American fields for whatever excess capacity they may need.

Might Organize Feeders

"It is also possible that our companies might assist in the organization of domestic companies which might act as feeders for United States companies. I do not believe that United States companies will ever be made quite so well-



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BUSINESS NEED NOT "FLY BLIND"

Our services chart a safe course through problems involving property insurance protection.

The AMERICAN APPRAISAL Company
CONSULTANTS IN PROPERTY ECONOMICS

come in Latin America as foreign companies have been made welcome in the United States.

"You will understand that these are just impressions and surmises not based on any real knowledge. Certainly an investigation of the possibilities in Latin America should be made. That there will be a considerable industrial development in Latin America in the coming years is almost certain and apparently they will need greater insurance facilities than are now available."

Time for Agents to Help Themselves

(CONTINUED FROM PAGE 1)

cannot expect this program to produce results in any magic way or in a short space of time.

Many of the problems in the business could be solved by some sincere cooperation between agents and companies, he said. Recently he was in a state where a group of field men were invited in for a conference on appointments they were making that were harmful to the interests of the public. It was ludicrous and yet it was a serious matter, he said. The other day he heard a group of lawyers arguing how well an automobile dealer could serve the insuring public, yet the same group of lawyers not long before had been fought to pass a bill to keep real estate men from drawing deeds, etc., and adjusters from carrying out certain functions it was usual for them to perform.

A prominent agent the other day told Mr. Ragland of a company to which he was giving around \$100,000 in premiums a year. The agent had consulted a banker with reference to his business. The banker, being ambitious and sensing an opportunity to add more dollars to his income, and the insurer, sensing an opportunity to get some more premiums, appointed the banker as agent. The agent promptly sent the company its supplies.

"There isn't any use fooling around about it," Mr. Ragland declared. "I am afraid there is only one language some of the companies understand and that is the premium dollar because when you touch some of their pocketbooks, it makes Christians out of them immediately." Why keep giving such companies business when there are agency minded companies who will do the right thing? Mr. Ragland asked. The agents have the power to correct any such practices and should do so.

On the other hand, the agents are not entirely blameless, and some of them at times disregard decency for another dollar of commission, committing practices harmful to the industry, themselves, and the public. Such actions invite outsiders to regard the business as just another racket.

Agents must fight to maintain standards in the business and to preserve the American agency system, he declared. Insurance is a great business and not all of it has resulted from the work of home offices. On the contrary, there has been too much conservatism and lack of research and progressiveness by home offices, he said. Those in the business cannot sit around and be satisfied because there are those who will not, and they are the ones who

create the new coverages and get the business.

Mr. Ragland urged agents to secure state qualification laws which will cut down indiscriminate licensing of just anybody as agents and that the National association educational program be adopted in all states so that agents will be qualified and stay qualified. In seeking the enactment of qualification laws, he advised agents to take the insurance commissioner and the companies into their confidence. Some of the companies have shown a lack of cooperation in bringing about the enactment of laws that would improve this situation, he added. They say they should have a right in saying who should represent them. That is true, but they shouldn't object to required qualifications being on a proper standard that would invite into agency ranks men that are qualified educationally, financially and otherwise, he said.

All states should have a conference committee to confer with companies and the commissioner, Mr. Ragland asserted. The company should not arbitrarily make changes in rules, rates, forms and policies without taking agents into their confidence and seeking their advice. The conference committee should have the confidence and sympathetic cooperation of the insurance commissioner and be ready to assist and advise with him at all times. No insurance law should be enacted in a state without the agents in that state first having the opportunity to confer with the proper authorities as to its practicability and need.

The politicians, Mr. Ragland declared, would like to take over the insurance industry. He wondered, if this happened, if it would be handled as the Federal Crop Insurance Corporation has been handled. There was a total deficit 1939-1942 inclusive of \$17,417,271 with administrative costs of \$23,254,688, for a total cost to taxpayers of \$40,671,959. On the other hand, the Federal Deposit Insurance Corporation had a total income of \$336,500,000 with losses and expenses of \$72,300,000 from 1933 to 1941, or a net income of \$264,200,000. Yet critics in government point critically to the modest return on the capital now invested in the insurance business.

Wartime Aid of British Insurers Is Summarized

A London publication, "In Reply to Yours . . ." in its May 15 edition summarizes the impressive part that British insurance has played in the war effort. The industry's vast financial resources have been enlisted in the war; its organization serves as an instrument of economic warfare and its skill and facilities are being utilized in the administration of the government's war compensation and insurance scheme.

The savings of the people that are invested in life insurance are very largely put at the disposal of the Treasury. The industry has undertaken to invest virtually all its free cash in government securities. It has invested up to £200 million in government securities since the outbreak of war at a lower rate of interest than would have been obtained from other investments.

Foreign exchange resources of the insurers provided the government with the means to purchase munitions before the introduction of lend-lease and subsequently in financing the import of goods not covered by lend-lease.

The share capital of American subsidiaries of British companies, assessed at \$180,000,000 was included in the collateral to support a loan of \$425,000,000 by the RFC to the British treasury in 1941. Also the earnings of the U. S. branches of the British insurers were pledged. The industry's current earnings of foreign exchange, taken over by the government against payment in sterling, provided a source of purchasing power. British insurance is an important export industry, one that does not involve the actual shipment of goods.

In economic warfare British insurance gave much aid through its trading with the enemy joint insurance committee. That organization withholds insurance facilities from those working for the enemy and in other ways frustrates and impedes enemy activities in neutral countries.

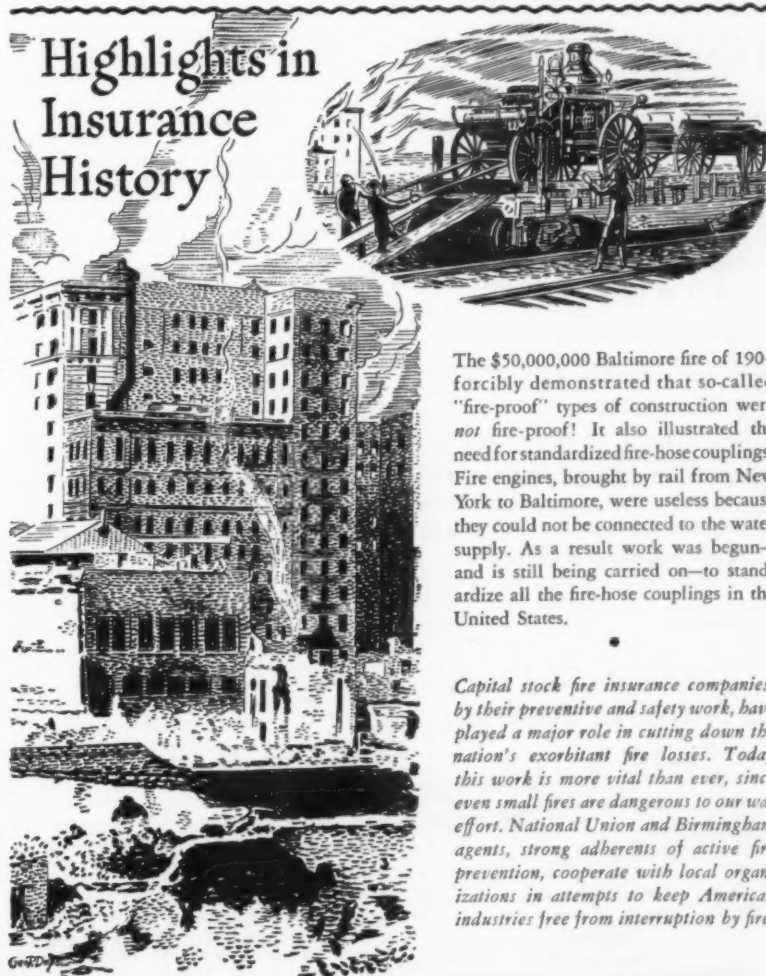
The industry acts as the government's agent in the administration of the war risks cover against damage or destruction in respect of stocks of commodities and raw materials held by manu-

Chase Bank Sells Last of Its Home Shares

The sale has been completed of 142,850 shares of Home stock at \$31½ per share. The distribution was handled by a syndicate headed by Dillon, Read & Co. This was the remainder of the stock acquired by Chase National Bank on July 29, 1942, from Home Fire Security Corporation. On that date the Chase Bank and the New York branch of Royal Bank of Canada called a loan under which 493,400 Home shares were pledged as collateral. Each bank had a 50% interest in those shares. The Royal Bank of Canada has sold some of its holdings but it still owns considerable of the stock.

facturers and traders. It also has a part in the operation of the act which enables manufacturers and traders to insure their plant, machinery and business equipment and individuals, their furniture, clothing and other personal belongings. The insurance industry handles all the applications for cover and issues the policies in respect of the so-called "commodity," "business," and "private chattels" schemes. This involves the issue of about 5,000,000 policies a year.

Highlights in Insurance History



The \$50,000,000 Baltimore fire of 1904 forcibly demonstrated that so-called "fire-proof" types of construction were not fire-proof! It also illustrated the need for standardized fire-hose couplings. Fire engines, brought by rail from New York to Baltimore, were useless because they could not be connected to the water supply. As a result work was begun—and is still being carried on—to standardize all the fire-hose couplings in the United States.

Capital stock fire insurance companies, by their preventive and safety work, have played a major role in cutting down the nation's exorbitant fire losses. Today this work is more vital than ever, since even small fires are dangerous to our war effort. National Union and Birmingham agents, strong adherents of active fire prevention, cooperate with local organizations in attempts to keep American industries free from interruption by fire.

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An Independent Ohio Company

10% Fewer Bonds Meet New Test

(CONTINUED FROM PAGE 2)

have made practically no difference at all.

Second grade rail bonds have benefited the most in the bond market rise. Except for some border-line cases there has not been much increase in the price level of industrial or utility issues. In some cases the fact that there is a more stringent basis is not as drastic as it might be thought since some of the issues might be thrown out anyway by reason of default, though there have been comparatively few of these in the last year. It is believed that the new amortization basis will not hit any company's holdings very hard, the effect being limited to small blocks of five or 10 bonds.

The effect of the change in valuations is in line with the aim of improving the minimum basis for quality of company portfolios year by year without causing any upheavals in investment policy.

Proper Plant Protection Requires Effort and Skill

(CONTINUED FROM PAGE 2)

The latter two elements may involve the valuing of certain units on the basis of market value as used equipment rather than on the basis of value to a going concern because of the lack of utility of these units in their present place. Excess construction is another element of depreciation that exists to some degree in most plants, perhaps in the form of excess capacity of certain plant units, or division walls in a building or other features of construction that are unnecessary and may actually represent a liability.

National Board Committees Named by Pres. Thomas

NEW YORK—John M. Thomas, president of the National Board, has announced the personnel of committees for 1943. There are three new chairmen: Ludwig C. Lewis, vice-president, North America, construction of buildings; John F. Gilliams, vice-president Camden Fire, fire prevention and engineering standards, and G. P. Crawford, president Glens Falls, statistics and origin of fire. The executive committee will select its chairman at the organization meeting June 24.

Holdover committee chairmen are: actuarial bureau, H. C. Conick, assistant U. S. manager of Royal; adjustments, Harry F. Ogden, president Fidelity & Guaranty Fire; conference with other insurance companies, Laurence E. Falls, vice-president American of Newark; finance R. A. Corroon, president Corroon & Reynolds; incendiarism and arson, W. Ross McCain, president Aetna Fire; laws, George C. Long, Jr., president Phoenix of Hartford; maps, A. E. Heacock, president Pacific Fire; membership, J. M. Haines, Phoenix of London; public relations, Esmond Ewing, vice-president Travelers Fire; uniform accounting, D. R. Ackerman, vice-president of Great American.

Surplus Line Group Meets

SEATTLE—The annual meeting of the Surplus Line Association of the state of Washington will be held here June 22, R. E. Voigt of Swett & Crawford, chairman, announced. The association has completed its second year. A stamping bureau is maintained under direction of Irwin Mesher, arbitrator, for passing on all Washington risks, other than ocean marine, which are placed with non-admitted carriers.

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(CONTINUED FROM PAGE 1)

not get permission from WPB to rebuild for the duration of the war, they believed the company would be liable for five months loss and not for a total loss, or for whatever time rebuilding was prohibited by the WPB order.

Endorsement Changed Matters

Despite varying interpretations put out by different companies, sometimes under the stress of competition, most observers thought losses would eventually be adjusted on that basis. The March rules, however, changed the whole picture. An endorsement denying liability for these aggravations was made mandatory. Insurance could be written without it for a 100% additional charge.

Obviously, if the company got a 100% additional premium for insurance without the denying endorsement, everyone agreed that no court on earth would permit the company to deny liability for aggravation of a loss by the WPB order. But policies issued before the new rules, at the old rates, were written under exactly the same form. In neither case was there a specific assumption of this liability. It seems manifestly impossible to expect a court to interpret identical forms differently, despite a difference in premiums. Hence, whether they intended it or not, all companies are now facing the virtual certainty of their old policies being interpreted as covering these aggravations, with liability limited only to the amount of insurance.

Effect on Losses

At least one such case has been reported. A building had been rendered untenable and the assured could not get permission for rebuilding. He and the adjusters were ready to agree on

a settlement representing nine months as the time it would have taken to restore the property, if it could have been rebuilt. Before the loss was closed, the new rules were put in force. The assured, learning of this, demanded and got payment for a total loss.

Many observers believe that the problem was approached in the wrong way. In their opinion, no limiting endorsement was necessary and an endorsement specifically assuming this additional liability should have been offered for an increased premium. This could have been added to existing policies on a pro rata basis. By selling insurance to cover the additional hazard, at an additional premium, the companies thus would have affirmed their position and in all probability would have been upheld by the courts. Having taken the opposite course, the companies have apparently forced into old policies a coverage which they never contained.

Demand for Assuming Endorsement

At the same time, policies written at the 100% increase still contain the exclusions of order of civil authority and laws regulating reconstruction. Many assured and agents have demanded more specific assurance that aggravation due to WPB orders is covered, so the need for an assuming endorsement became evident almost at once. A prominent reciprocal group approached the problem by issuing an assuming endorsement shortly after the stock and mutual carriers adopted the limiting clause.

In all probability, the new endorsement will be applicable only to policies written at the 100% increase. This will mean three sets of policies—old

ones at the old rate with no endorsement, new ones at the old rate with the limiting endorsement and new ones at double rate with the assuming endorsement. Undoubtedly the intent of the companies on old policies will revert to the original position. Whether this can be sustained, in view of the interpretation at least temporarily forced upon the companies by the present situation will remain to be seen. Some observers are not too optimistic about this.

Situation in Central West

Reports indicate that most new use and occupancy, rent, extra expense and similar business in the middle west has been written at the 100% increase, while that from the east and south is written mainly at the basic rate with the limiting endorsement. The explanation is that in all jurisdictions outside the middle west, recovery is limited to shutdown of one year, so an assured has little to gain by paying the double rate, unless he also increases the insured period of shutdown, which requires an additional premium. Some business is being written in the east and south with the period extended, usually to 18 or 24 months, but this is in the minority. With no time limita-

Apologies to Will H.

Harrison of Des Moines

Due to an unfortunate transposition of names in the article in the June 10 edition in reporting the dissolution of the Snider, Walsh & Hynes agency of Davenport, Ia., the impression was created that Will H. Harrison had at one time been connected with the agency and that he had passed to his reward. Of course, Will H. Harrison is very much on the job as state agent for National Fire in Iowa. He is the dean of Iowa field men and is beloved by everyone in the state.

\$200,000 Oil Fire in California

The Union Oil Company suffered a loss of about \$200,000 in the fire June 12, which damaged buildings, machines, retorts, and oil stocks at its refinery at Oleum, Cal., across the bay from San Francisco. The insurance was written through the Oil Insurance Association.

tion in the middle west forms, it is much easier to sell an assured on coverage without the limiting endorsement and with the 100% increase.



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EDITORIAL COMMENT

Growing Importance of Insurance Women

The National Association of Insurance Women is holding its annual convention this week at Milwaukee. This organization has had a remarkable growth within a comparatively short time. Women engaged in insurance work awoke to the fact that they could make themselves much more useful and helpful to the business if they extended their knowledge and got a more intimate grasp of insurance especially in its fundamentals and guiding principles. Local organizations have been formed at a number of points. They have taken up courses of study, giving particular attention to that espoused by the National Association of Insurance Agents. They are inviting authorities to talk to them on their special subjects.

There are a number of women in the insurance business for themselves throughout the country. Others hold

key positions in insurance offices. In local agencies in particular the so-called head girl has much authority and influence. As the women grow more familiar with insurance they add to their own reputation, they become far more useful to an office. The organization work stimulates pride among the women to improve their own standards of efficiency and the capacity to serve. The president, Mrs. Ada V. Doyle of Caldwell, N. J., has her own agency. She like other women took up the agency work on the death of her husband.

The program that was formulated for the Milwaukee convention is excellent and broadening. These various local organizations as well as the national body are to be congratulated for what they have accomplished in so brief a time in advancing the prestige of women in insurance.

Pass Liquidation Acts

More and more states are passing what might be called liquidation, conservation or rehabilitation legislation patterned after the law in New York which authorizes the state insurance department to take over an insurance company that is impaired and either liquidate it entirely or if there is hope of saving it start rehabilitation. This is particularly true with life companies. During the depression a number of legal reserve life companies failed. If there had been a conservation act almost all of these could have been saved. Their acquisition cost for new business could have been drastically cut off. There could

have been other economies put into effect. They would have been in active operation today. A life company is peculiarly responsive to restoration even if it seems to have been badly flattened out.

Giving the insurance department this authority saves the great expense of receivership. Even if a company is to be entirely liquidated a large amount of outlay can be avoided. Economic procedure can be followed. We believe that a statute of this kind should be enacted in every state if for no other reason than to apply to life insurance companies.

Getting Irritants Out of Organizations

The head of one of the great agency organizations of the country makes it a point to have all complaints come to his desk. He wants to know if there is any criticism from his office or from policyholders or, in fact, anyone that has any relationship with his organization. He desires to know any accusation against himself. In this way he aims to keep in touch with those who think they have a grievance or have some suggestion to make. He does not want some subordinate to handle such items. His own opinion is that the organization that can eliminate as far as possible irritants and create good will and good feeling has an asset of extreme value.

He even studies his office equipment and arrangements to see what can be

done to make working conditions more congenial and to avoid criticism. For instance, the desks, office equipment and furniture of the private offices are just alike. He does not want any jealousy. In reaching decisions he aims to conciliate and not to antagonize. He aptly remarks that while he is the head of his organization there are 200 others working with him and if he scents what he feels is legitimate and sensible opposition he sits up and takes notice. He believes in harmonious procedure. His policy is to give and take, to compromise and conciliate, to keep his associates and employees in a satisfied frame of mind.

He studies details of his office. He aims to avoid friction at every possible

point. He has no use for trouble makers. He endeavors to encourage all in his personnel to make constructive suggestions. He puts a high value on office esprit de corps.

He sees the advantage of having working conditions as nearly perfect as possible because people spend a number of hours a day in that relationship. The

spirit of such an office is admirable. One can feel the atmosphere as soon as he enters it.

In our opinion it will pay heads of offices to give far more attention to these very questions that this agency manager considers and wants to have come to his own desk. He considers any irritant a bad office advertiser.

PERSONAL SIDE OF THE BUSINESS

Thomas A. McNamara of the advertising staff of Fireman's Fund at the home office, whose hobby is writing one-act plays, has been advised that his latest effort, "Bread and Bologna," won the first prize in the 1943 contest conducted by the Ross Valley Players of Ross, Cal. This is the second consecutive year that Mr. McNamara has been the winning author.

William J. Welsh, well known Kansas City, Mo., agent and a member of the firm of Mann, Barnum, Kerdolff & Welsh, who suffered a severe injury from a power lawn mower, is still in the hospital, but he expects to get out in a few days and will be at his home for several weeks getting accustomed to a semi-permanent cast which he will be required to wear for several months during which time he will be on crutches. This is necessary because of multiple bone fractures in the foot and ankle.

Mr. Welsh had a narrow escape. Surgery, however, has been almost miraculous in saving his foot. Because of the destruction of bones and particularly tendons he will be slightly crippled. Mr. Welsh is in a good frame of mind. Immediately following the injury he experienced terrifying agony, being convinced that he had lost his foot if not his life. He is well known throughout the country and has received many letters from friends in all sections. His office is 800 Bryant building, Kansas City.

Charles H. Lum, assistant general manager of the National Board in charge of the San Francisco office, was guest of honor at a luncheon in New York given by W. E. Mallalieu, general manager, and staff members on Mr. Lum's fortieth anniversary with the organization. Mr. Lum was presented with a wrist watch and Mr. Mallalieu read numerous letters of congratulation. Mr. Lum joined the board as an electrical inspector in the New York suburban territory. He headed the board's actuarial bureau and in 1921 Mr. Lum went to San Francisco.

W. A. Seely, Freeport, Ill., assistant manager of Crum & Forster, was presented a Tiffany wrist watch on the occasion of his 25th anniversary with the organization.

John F. Sullivan of Seattle, associate manager of the Frank Burns Company in the White-Henry-Stuart building attended the meeting of the National Association of Insurance Commissioners in Boston, then spent some days after that in New York City and other eastern points. He visited Chicago and from there went to Minneapolis, St. Paul and Winnipeg. The Frank Burns Company acts as reinsur-

ance broker for companies. Its mode of procedure is to take care of all the insurance arrangements for a company. It has a number of clients.

Mr. Sullivan is a nephew of Insurance Commissioner W. A. Sullivan of Washington. In fact, John F. until recently was connected with the Washington department as deputy commissioner. He is now giving all his time, however, to the Frank Burns Company.

Howard W. Bradshaw, Delphi, Ind., former chairman of the farm committee of the National Association of Insurance Agents, has returned to his home after two weeks in the hospital following an operation. After another week recuperating at home, he expects to be back in his office.

A smoking stand was presented to **E. A. Ritt**, recently retired as St. Paul manager of the Fire Underwriters Inspection Bureau, by the Insurance Exchange of St. Paul. Mr. Ritt had served the bureau about 40 years in St. Paul.

Harry E. Helm, secretary of Fidelity & Guaranty Fire, stopped off in Chicago this week en route to Montana with Mrs. Helm where they will spend about 10 days with their daughter in Lewiston.

Mrs. Mary Ann Mayer of the R. B. Jones & Sons agency, Chicago, was pictured in the newspapers the other day with her husband, Robert L. Mayer, a corporal in the army, and their baby, born in February, which he had not seen. Corporal Mayer got a furlough about the time he thought the baby was coming, but his furlough was over before the baby was born. Mrs. Mayer exhausted all of the usual appeals to the Red Cross, etc., then wired President Roosevelt, who issued a Presidential order granting Corporal Mayer a furlough.

Homer H. Berger, Kansas City, attorney for the companies in the Missouri fire rate case, is now recuperating from pneumonia.

In celebration of his completion of 50 years in the insurance business, the companies in the agency of **Maj. W. L. Pierce**, Christiansburg, Va., tendered him a testimonial dinner in Roanoke and presented him an engraved silver bowl. Every company in the office was represented, 25 company men being present. The companies have been in the office from 21 to 50 years. Home has been in the office since it was established. One of his daughters, Mrs. Anna Massie, is associated with him in the agency. A son, E. L. Pierce, formerly with the agency, is now an officer in the army air corps. Despite his 79 years, Major Pierce is still active.

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He is a past president of the Virginia Association of Insurance Agents.

Ray W. Berrett, administrative assistant of the insurance section, Reconstruction Finance Corporation, is absent from Washington for several weeks. Hugh R. Stevenson is handling the work.

H. R. Northrup, head of the insurance division, Federal Works Agency, who recently returned to Washington, is tentatively planning a trip to the Pacific Coast some weeks hence.

DEATHS

Isaac I. Parry, 80, Jackson, O., a long time local agent, serving over 53 years, who had been in declining health for some time, died last week. He visited his office regularly. The business will be carried on by his son, Hollis Parry, who has been associated with him for some time. Many of the companies he represented have been in his agency for over 50 years. He was head of the Parry Insurance Agency.

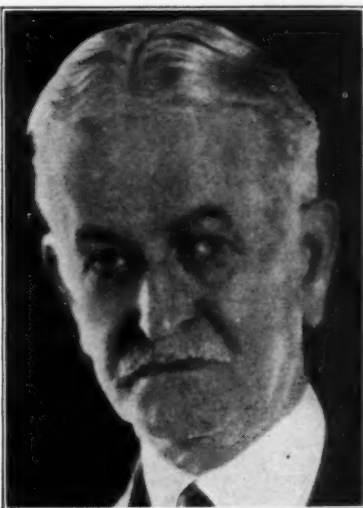
Mrs. Ada J. McGregor, widow of P. D. McGregor, for many years western manager of the Queen, who died in 1923, was buried last week in Rosehill cemetery in Chicago. She resided at the Edgewater Beach Hotel. Her daughter, Mrs. Josephine Pringle, survives. Mrs. Pringle's husband, Kenneth G. Pringle, is head of the liability claim department of Zurich in New York City. Mrs. McGregor made it a practice for many years to render a vocal solo at the opening of the annual meetings of the Fire Underwriters Association of the Northwest.

Mrs. John C. Lanphier, Sr., 88, died at her home in Springfield, Ill. She was the widow of the founder of the Lanphier Agency in Springfield, and the mother of Robert C. Lanphier, Jr., John C. Lanphier, III, and Charles H. Lanphier, III, all of whom are associated in the agency.

George L. Wanstrath, 77, St. Louis local agent, died from heart disease. He was stricken in the office of a doctor, where he had gone for treatment.

Arthur C. Boule, Chicago broker, who was in the insurance business for about 40 years in Chicago, died this week at the home of a sister in Kankakee, Ill., of a complication of ailments after an illness of about two years. He was cashier in the bond department of the Conkling, Price & Webb agency, Chicago, for many years, then about 10 years ago became an office broker asso-

Veteran Underwriter of the West Is Dead



A. G. DUGAN

A. G. Dugan of Hinsdale, Ill., former western general agent of Hartford Fire, died Saturday at his home at the age of 82. He was born March 14, 1861, at Louisville. He was educated at Forest Academy, Anchorage, Ky. He entered the insurance business in Louisville with

ciated with that agency. For the last five or six years he had made his office in the Michigan avenue branch of C. P. & W., which is located in the London Guarantee claim and inspection office. A. C. Boule was a brother of L. L. Boule, well known Chicago broker, who now is a captain in the army stationed at Ft. Knox, Ky.

Max Wagner, 49, treasurer of the Boston general agency of Paul Burrage, Inc., died suddenly at his home in Medford, Mass. He was formerly in the Hinckley & Woods agency.

E. O. Steinmetz, local agent at Herington, Kan., died there following a brief illness.

Queen, serving four years, and then became state agent of Springfield F. & M. in Kentucky and Tennessee. He was transferred to the Pacific Coast department at San Francisco, serving until 1894. He was manager and retained the position until Springfield united with National and operated a joint department.

Goes with the Hartford in Kentucky

He returned to Louisville becoming special agent of Hartford Fire. He was in the field until 1902 when he became assistant general agent of the western department, J. W. G. Cofran being general agent. Later Mr. Dugan became a member of the managerial firm of Cofran & Dugan, serving until 1910 when Mr. Cofran was transferred to the head office. John H. Carr of St. Louis, who had been head of Citizens, a member of the Hartford group, was called to the western department at Chicago and the firm name became Dugan & Carr. On Mr. Carr's death in 1923 Mr. Dugan became the sole general agent, serving until he retired Jan., 1938.

Former Association Head

Mr. Dugan became a member of the old Western Union, now the Western Underwriters Association in 1903. He was the oldest living honorary member in the department manager class except Milton Dargan of Atlanta, who was manager of Royal and entered the organization in 1894. H. T. Lamey, formerly Denver general agent, became a member in 1891. D. Cliffe Stone of Nashville, who is still active and is a general agent, entered in 1900. Mr. Dugan served as president, being elected for two years at the annual meeting in 1918.

Mr. Dugan was a typical Kentuckian with true southern courtesy and hospitality. He was a man of few words. He seldom got up on his feet to speak at meetings. He was not aggressive or forceful. He might be said to have been a stalwart. He always had his feet on the ground and played safely. He was regarded as a man of good business judgment.

Mr. Dugan had been suffering from infirmity for some time and for some months had been conscious only intermittently. He is survived by three sons,

Norris K. Levis to Join Collins Agency at Rockford

NEW YORK—Norris K. Levis, manager of the Pearl-American group's inland marine department, will on July 1 become associated with the H. J. Collins agency at Rockford, Ill. Mr. Levis, who was formerly with Marsh & McLennan's New York City office and later manager of the marine department at Chicago, joined Pearl in 1938. When the company established its countrywide inland marine department in 1939 he was named manager. Mr. Levis has served on the executive committee of the Inland Marine Underwriters Association and on a number of its other committees.

The Collins agency has been operating successfully in Rockford for the past 30 years. It deals in real estate, mortgage loans and insurance. It is headed by H. J. Collins, one of Rockford's leading realtors.

Joseph Kasas, for many years special agent of National Union, with headquarters in Newark, has entered the Essex Mountain Sanitarium.

North America has declared a semi-annual dividend of \$1.25 a share and an extra dividend of 50 cents a share payable June 15.

Capt. Joseph U. Dugan, who is in the army; Hugh, who is connected with the western office of the Hartford Fire, doing research work particularly and A. G. Dugan, Jr., at Albuquerque, N. M., where he is teaching school. There is one daughter, Mrs. Wellington Schaefer of Lima, Peru, her husband being an architect. Mr. Dugan's funeral was held Monday at Grace Episcopal Church in Hinsdale.

Thomas Dobson, 76, founder and head of the Renton, Wash., agency of Tom Dobson & Son, died there. One of his three sons, Thomas, Jr., is continuing the agency. The father went to Renton in 1896 and served as mayor, county commissioner and in the legislature. He had been president and secretary of the King County Pioneer Association.

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Algire Answers Questions Under New Theft Form

**Tells Connecticut Agents
of Actual Problems That
Have Been Posed**

WATERBURY, CONN.—The many features of the new residence and outside theft policy should make it attractive both to insured and producers, R. A. Algire, vice-president of National Surety pointed out in addressing the meeting here of the Connecticut Asso-



R. A. ALGIRE

ciation of Insurance Agents. Sales of the old limited residence policy increased in both 1941 and 1942, both as to number of policies and premium income, despite the fact that many additional states permitted the sale of the personal property floater, and sales will continue to increase with the new policy because with fire and extended coverage it provides adequate insurance at minimum cost and maximum commission return to producers, he said.

Mr. Algire listed the following questions that have come up under the actual use of the new policy:

Does the policy cover golf equipment and any other equipment left in lockers at clubs, Y.M.C.A.s and similar institutions if the property was taken during the absence of the owner? Yes.

Does the policy cover coats and hats whether checked or not, taken from restaurants, clubs, etc? Yes.

Does not our outside theft policy provide the same coverage as a personal effects floater? Our new policy does not cover breakage or other damage to property not caused by theft or attempted theft or vandalism or malicious mischief. This means that it does not cover fire, water damage, windstorm, etc. Likewise it does not cover disappearance losses unless the disappearances are mysterious. Therefore, it cannot be said that the outside theft coverage provides the same coverage as personal effects floater although it probably does cover a very large part of the total losses which are represented under the personal effects floater policy.

What is the coverage afforded with respect to members of the insured's household while attending colleges and living in dormitories, fraternities and sororities? Dormitories, fraternity, sorority

(CONTINUED ON PAGE 26)

Progress Made in Harmonizing Boiler Conflict

NEW YORK—At the conclusion of conferences here Tuesday and Wednesday between a committee of three representing Hartford Steam Boiler and three bureau representatives at the instance of the New York department, J. F. Collins of the department issued a statement expressing the conviction that a single boiler and machinery manual acceptable to the department will be filed in New York. As a result the department feels that the rate situation insofar as New York is concerned will be satisfactorily determined at a reasonably early date. The nationwide aspect of the problem still remains open. The department, however, is hopeful that a clarification of the matter in New York will assist in stabilizing boiler and machinery business nationwide. The department indicated it would have a continuing interest in this aspect.

Those close to developments are hazarding some guesses as to the final decision. One guess is that the manual will follow the bureau pattern very largely but that the rate level will be that preferred by Hartford Steam Boiler, which is about 15% above bureau.

Also some predict that the Hartford system of having group discounts apply to objects in a single plant will be favored instead of the bureau system of discounts applying citywide.

Last Friday there was a meeting with Mr. Collins of all boiler insurers. At that time Dale F. Reese of Hartford Steam Boiler and Hale Anderson of F. & C. each was instructed to name a committee of three to meet Tuesday of this week.

In the meantime, except for New York state, boiler and machinery business of any consequence has very largely been rewritten for a new three year term either in Hartford Steam Boiler or in a bureau company. The agents realized that they would likely never see such low rates again and they proceeded to tie up the business for as long a term as possible.

Canadian Life Men Endorse Health Cover

Endorsement of the principle of a health insurance plan and other elements of social security extension has been given by the Canadian Life Insurance Officers Association in a brief presented to the social security committee of the House of Commons. The brief was submitted by V. R. Smith, general manager of Confederation Life and W. M. Anderson, assistant general manager of North American Life of Canada. The life insurance industry, the brief states, will give its hearty support to inauguration and integration of well prepared and practical social security plans for the maintenance of a minimum subsistence level for all classes.

The industry is also in accord with the inauguration of comprehensive and efficient health and rehabilitation services. Any measures in the field of preventive medicine should be coordinated but not consolidated with a health insurance plan, the brief asserted. The inauguration of public health measures should not be made contingent upon the inauguration of health insurance. Preventive measures should be set up as fully and completely as possible without waiting for the working out of the health insurance scheme.

President O'Neill Prepares to Retire at Year End

NEW YORK—With the slogan "Business for Buck," the field organization of Royal Indemnity and Eagle Indemnity are engaged in a highly successful production campaign in honor of the companies' president, F. J.



F. J. O'NEILL

("Buck") O'Neill, who plans to retire at the end of the year, though there have been no formal announcements. When word got around that Mr. O'Neill had decided to retire at the year-end his great personal popularity in the entire organization was such that the campaign in his honor was a logical consequence and enthusiastic response was assured from the start.

Known throughout the insurance business and among football fans as "Buck," Mr. O'Neill is one of those figures to whom the adjective "colorful" is almost automatically applied. As a football player and coach he ranked with the greatest in the game and as a personage in the casualty and surety business he has been equally outstanding.

Aptitude for Football

Oddly enough in view of his later prowess, Mr. O'Neill did not play football during his high school days at Manlius, N. Y. After graduation, however, he used to watch the cadet teams of St. John's Military Academy on the gridiron and one day they asked him to practice with them. His only equipment was the derby hat which he was wearing, filled with straw as a helmet, but his aptitude for football was quickly apparent and he was shortly invited to enter the academy as a student.

Graduated from Manlius in 1898 as an honor student, he entered Williams College where he was not only its greatest football star and captain of the team but track captain as well. He was a very fast quarter-miler.

Mr. O'Neill maintained his high scholastic averages and in mathematics hung up one of the best records ever set at the college. In addition to eight sports letters he won various prizes for his abilities in his studies.

Graduated in 1902, Mr. O'Neill coached football for a time at Williams but decided to study law and enroll at the law school of Syracuse University. There he completed the three year course in two years although he took time out to do track and football

(CONTINUED ON PAGE 26)

Much Interest in National A. & H. Assn. Meeting

**Wartime Problems Dis-
cussed—Homer J. Bisch
Named as New President**

NEW OFFICERS ELECTED

President—Homer J. Bisch, National Casualty, Toledo.

Vice-president—C. A. Sholl, Globe Casualty, Columbus, O.

New members of executive board: George L. Dyer, Jr., Columbian National Life, St. Louis, chairman; J. W. Martin, Loyal Protective Life, Portland, Ore.; E. F. Gregory, Business Men's Assurance, Denver; Sydney Altman, Metropolitan Life, St. Louis; C. E. Waller, Professional Insurance Corporation, Jacksonville, Fla.

By FRANK A. POST

PITTSBURGH—The interest which accident and health men are taking in the manifold problems confronting the business today was evidenced by the unexpectedly good attendance from all parts of the country at the annual meeting of the National Association of Accident & Health Underwriters. Thirty or more local associations were represented, with attendance ranging from Massachusetts to Los Angeles and from Seattle to Jacksonville. Aside from the general difficulties of travel today, with very few exceptions these delegates were not traveling on expense accounts, but were paying their own way. Membership is increasing, although naturally the increase was not as great as in some previous years. The Pittsburgh association, convention host, put on a good program and provided especially fine entertainment.

Bisch Elected President

Homer J. Bisch, first vice-president the past year and acting president since President George L. Dyer, Jr., Colum-



H. J. BISCH



C. A. SHOLL

bian National Life, St. Louis, went into the army some months ago, was advanced to president, and C. A. Sholl, who has been second vice-president, becomes vice-president, the multiple vice-presidencies expiring with this meeting in accordance with the decision reached in Los Angeles two years ago.

St. Louis, Des Moines for 1944

In connection with the election of members of the executive board, an effort was made to bring up the question of whether members of that board should succeed themselves. Two members whose terms had expired, E. F.

(CONTINUED ON PAGE 27)

Study Fidelity and Surety Record for 1942

Total fidelity premiums earned country-wide in 1942 by companies operating in New York amounted to \$40,114,689, which was a decline of about \$200,000 from the previous year, according to a study made by the New York department. The loss ratio was 21.9, two points higher than during 1941 and the expense ratio before federal income tax was 54.4, which was one point higher than during the previous year. The net gain excluding federal income tax was 23.7% and the tax was 7.5.

The surety premiums were up sharply at \$63,288,925, comparing with \$52,313,238 the previous year. The loss ratio was up 1.7 points at 12.3%, the expense ratio was down four points at 55.9. The net gain was 31.8 excluding federal income tax and the tax was 11.8.

1942 FIDELITY EXPERIENCE

	Premiums earned	Losses	Ex. (ex. Fed. inc. tax)	Net Gain (ex. Fed. inc. tax)	Fed. inc. tax	Claim adj.	Acq. and field supervision	General adm.	Insp. and bureau	Taxes and fees
Accident & Cas.	17,948	22.6	74.2	3.2	11.4	39.3	16.2	1.4	5.9	
Aetna Cas.	1,922,013	18.2	51.9	29.9	9.1	6.2	28.0	14.3	3.1	
Amer. Employers	266,674	26.4	56.9	16.7	3.7	7.8	37.4	8.1	5.1	
Amer. Guar. & Liab.	113,462	26.8	34.0	39.2	5.9	8.7	16.1	5.4	6.2	
Amer. Motorists	21,602	40.0	21.3	38.7	4.1	5.5	6.7	6.7	8.2	
Amer. Mut. Liab.	165,866	55.2	33.6	11.3	5.5	5.8	28.3	1.1	3.4	
American Re.	597,867	33.7	51.6	14.7	8.5	...	45.6	5.8	3.1	
American Surety	3,656,216	20.8	64.8	14.4	5.2	8.4	30.0	21.8	1.9	
Associated Ind.	17,531	26.6	56.7	45.9	11.0	1.1	36.3	15.2	7.3	
Bankers Indem.	138	287.7	141.3	329.0	...	122.5	18.8	...	...
Car & General	1,569	3.3	23.3	73.4	1.8	...	5.2	11.9	2.6	
Central Sur.	189,396	29.5	46.3	24.2	10.5	4.9	25.0	11.0	5.4	
Century Indem.	268,665	13.9	57.7	28.4	12.1	12.0	31.1	11.0	6.0	
Columbia Cas.	195,751	21.4	50.0	28.6	...	5.8	25.4	14.4	1.0	
Commercial Cas.	228,376	4.9	60.4	34.7	10.4	5.4	29.9	21.5	1.2	
Continental Cas.	569,425	26.8	54.3	18.9	...	9.3	25.2	15.6	7.7	
Eagle Indem.	135,292	29.1	46.3	24.6	10.6	12.4	24.9	6.1	7.2	
Employers Liab.	459,796	17.9	59.8	22.3	4.1	7.0	40.0	8.3	5.0	
Empl. Reins.	609,543	31.6	64.1	4.3	2.0	2.6	54.6	4.4	4.2	
European Gen. Re.	1,024,550	19.2	49.8	31.0	11.9	1.9	46.2	1.5	1.1	
Excess	29,986	25.4	44.9	80.5	9.4	1.4	34.0	8.5	...	
Farm Bur. Mut. Auto.	2,508	47.7	2.0	54.3	...	9.3	3.1	17.4	...	
Fidelity & Cas.	1,883,157	15.9	55.5	28.6	8.4	8.1	24.5	16.4	2.3	
Fidelity & Deposit	5,250,009	18.7	64.0	17.3	7.5	10.9	37.7	11.6	4.4	
Fireman's Fund Ind.	263,356	16.2	50.6	35.2	...	6.7	24.2	14.5	1.0	
Gen. Cas., Seattle	119,237	27.2	42.2	30.6	21.1	3.2	28.3	6.3	1.1	
General Reins.	645,819	22.4	50.4	27.2	9.5	2.4	40.8	4.5	2.2	
Glens Falls Indem.	227,619	37.8	62.6	...	...	15.0	29.3	12.3	1.5	
Globe Indem.	590,084	15.7	54.7	29.6	12.0	6.3	30.7	14.0	5.3	
Great Amer. Indem.	390,469	13.2	55.7	31.1	17.0	7.9	27.9	15.3	1.7	
Guarantee of N. A.	166,990	30.6	62.3	7.1	2.8	1.7	35.4	21.3	4.4	
Hartford Acc.	2,215,080	22.0	47.4	30.6	11.6	7.4	21.6	14.9	1.5	
Home Indemnity	267,551	27.5	61.7	20.8	14.1	14.6	17.2	15.2	1.5	
Indemnity of N. A.	1,304,920	15.0	45.4	39.6	19.8	6.3	24.5	10.5	7.3	
International Fid.	74,005	27.3	40.2	62.6	21.8	...	2.4	40.7	...	
Liberty Mut.	627,148	46.1	30.3	24.6	1.0	6.9	7.5	13.4	...	
London Guar.	111	...	...	...	...	...	...	...	...
London & Lanc.	36,856	15.6	84.0	...	...	30.3	24.9	22.8	2.3	
Lumb. Mut. Cas., Ill.	108,386	36.6	17.4	46.0	...	...	...	...	...
Manufacturers Cas.	13,634	34.0	42.8	23.2	1.1	10.9	20.5	8.6	1.2	
Maryland Cas.	1,532,816	27.4	58.5	14.1	12.2	15.0	28.7	11.1	3.8	
Mass. Bonding	962,355	14.4	51.3	34.3	13.2	12.2	27.6	10.1	3.1	
Merchants Indem.	240	11.3	76.7	12.0	...	...	57.9	18.4	...	
Metropolitan Cas.	125,308	35.8	57.6	6.6	...	...	26.4	19.8	1.2	
Natl. Casualty	23,530	77.1	52.1	29.2	...	...	6.6	27.6	13.9	
National Surety	3,749,839	22.9	53.9	28.2	9.7	7.1	30.9	11.9	4.4	
New Amer. Cas.	943,963	15.9	47.4	36.7	11.6	7.1	27.6	8.7	1.0	
New Eng. Cas.	1,240	35.9	42.2	21.9	...	...	7.0	20.0	8.5	
New York Cas.	457,635	19.3	45.8	34.9	17.4	7.6	24.4	10.6	3.2	
Occidental Ind.	80,974	18.3	42.7	39.0	...	...	4.3	24.1	9.7	
Ocean Acc.	237,162	31.4	43.6	25.0	...	...	3.5	24.4	11.9	
Peerless Cas.	74,256	42.7	25.6	31.7	...	...	5.1	6.9	12.8	
Preferred Acc.	17,616	23.8	71.2	5.0	...	...	26.9	35.3	5.7	
Royal Indem.	503,975	27.8	48.4	23.8	10.8	12.7	24.4	8.0	1.5	
St. Paul Merc. Ind.	410,075	34.8	40.9	24.3	18.6	9.7	21.6	2.5	2.2	
Seaboard Surety	306,029	20.7	47.2	32.1	11.8	6.9	21.3	9.0	7.2	
Security Mut. Cas.	7,970	24.5	70.4	5.1	3.8	6.7	56.6	2.6	3.2	
Standard Acc.	736,101	26.1	66.9	7.0	3.7	12.0	31.6	19.5	9.9	
Standard Sur. & Cas.	51,168	13.3	40.4	72.9	10.2	13.3	21.5	2.1	8.7	
Sun Indemnity	41,472	16.1	37.6	46.4	20.2	7.8	19.2	6.5	1.1	
Travelers Ind.	305,391	29.4	68.5	2.1	1.1	7.7	37.0	18.3	1.2	
U. S. Casualty	156,202	21.0	66.9	12.1	2.0	9.2	26.1	11.5	6.4	
U. S. Fid. & Guar.	3,776,636	21.2	50.8	28.0	...	...	9.2	30.1	11.5	
U. S. Guarantee	780,169	33.6	42.0	24.4	18.2	3.7	20.1	14.1	5.5	
Yorkshire Indem.	124,962	34.8	53.9	11.3	2.2	2.8	45.6	3.8	...	
1938 Total	37,481,164	25.4	56.3	18.3	...	...	7.7	28.3	13.5	
1939 Total	37,538,592	22.0	58.1	19.9	...	...	7.3	29.2	13.7	
1940 Total	37,589,842	23.1	56.7	20.2	...	...	7.1	28.3	13.7	
1941 Total	40,323,761	19.9	53.4	26.7	3.9	6.6	30.2	12.7	6.3	
1942 Total	40,114,689	21.9	54.4	23.7	7.5	8.2	29.5	12.8	6.3	

1942 SURETY EXPERIENCE

	Premiums earned	Losses	Ex. (ex. Fed. inc. tax)	Net Gain (ex. Fed. inc. tax)	Fed. inc. tax	Claim adj.	Acq. and field supervision	General adm.	Insp. and bureau	Taxes and fees
Accident & Cas.	45,636	6.0	62.0	32.0	7.6	34.3	14.1	1.5	4.5	
Aetna Cas.	3,858,369	2.6	59.1	37.3	11.6	9.3	31.6	14.9	3.0	
Amer. Credit Indem.	1,101	...	...	100.0	...	...	...	...	...
Amer. Employers	402,464	13.4	68.4	18.2	4.0	4.3	47.5	12.8	4.4	
Amer. Motorists	21,513	39.9	16.4	43.7	15.7	8.2	4.0	5.7	7.2	
Amer. Mut. Liab.	1,132	...	21.3	78.7	...	...	11.1	6.9	3.3	
Amer. Re-In.	1,509,778	9.8	57.9	32.3	7.8	...	49.6	5.8	4.1	
Amer. Surety	2,954,797	1.9	70.7	27.4	9.9	5.9	33.6	26.4	6.2	
Associated Ind.	25,293	...	51.4	48.8	11.8	1.3	30.2	16.0	5.4	
Bankers Indem.	19,640	23.7	55.8	20.5	1.2	3.3	33.3	11.6	2.6	
Car & General	446,546	21.6	57.0	21.4	9.3	3.3	33.8	13.5	7.1	
Century Indem.	848,784	18.1	57.2	23.7	7.4	6.2	36.2	15.2	6.0	
Columbia Cas.	221,528	9.0	50.7	40.3	...	...	26.3	14.4	2.1	
Commercial Cas.	147,003	33.1	80.4	13.5	...	...	17.7	33.4	2.1	
Continental Cas.	1,512,287	34.4	52.7	12.9	...	...	9.2	26.1	13.8	
Eagle Indem.	106,283	30.3	52.3	17.4	7.5	15.7	23.1	9.9	8.8	
Employers Liab.	312,139	8.2	61.7	30.1	5.6	4.8	40.7	12.5	3.4	
Employers Re.	1,560,508	18.8	73.7	7.5	2.4	1.6	64.2	4.8	4.4	
European Gen. Re.	1,898,868	21.3	61.0	17.7	6.8	4.3	54.8	1.7	1.1	
Excess	312,882	14.0	61.8	24.2	2.4	1.2	60.3	8.8	1.5	
Fidelity & Cas.	1,828,889	6.4	59.0	34.6	10.2	7.4	33.8	15.5	8.2	
Fidelity & Deposit	4,184,565	...	70.8	29.7	12.9	11.5	42.3	12.9	1.3	
Fireman's Fund Ind.	541,327	14.2	45.9	39.9	...	...	4.7	26.4	10.6	
General Cas., Seattle	668,050	...	46.0	55.4	38.2	2.2	34.3	6.0	1.1	
General Reins.	1,223,348	3.1	54.6	42.3	14.8	2.3	45.4	4.3	2.4	
Genl. Tr. C. & S.	680	...	18.2	81.8	2.2	...	10.0	5.6	1.7	
Glens Falls Ind.	1,169,287	28.0	58.8	13.2	...	...	6.2	34.7	11.8	
Globe Indem.	667,183	4.3	50.1	54.2	22.0	4.5	30.7	12.0	4.4	
Great Amer. Ind.	762,690	10.9	50.9	38.2	21.6	6.5	27.1	14.0	2.5	

Progress Seen in Farm Liability Cover Field

NEW YORK—Progress is being made in the endeavor on the part of organization companies to devise a comprehensive liability policy for the farmer with provision for employers liability coverage as well. There is a disposition to act and the problems involved are being tackled with a will to find solutions. One of the big considerations is the high cost of employers liability feature, which with expense constants, minimum premiums, etc., is probably never less than \$50 for a farm and frequently builds up to \$100. The companies, it is believed, will find a way to make the charge such as to popularize the coverage. Howard Bradshaw of Delphi, Ind., former chairman of the rural agents committee of the National Association of Insurance Agents has been especially helpful to the companies in this project.

Committee to Give Everyone His Say on Hobbs Bill

WASHINGTON — Representative Weiss of Pennsylvania, chairman of a special subcommittee of the House committee on postoffices and post roads to which has been referred H.R. 687, the bill of Representative Hobbs of Alabama, plans to call another hearing on that measure soon. The subcommittee has already held one hearing on the bill, which proposes to deny the use of the mails to insurance companies that operate without state license.

The disposition in the committee seems to be not to hurry action on the bill, but that everybody who wants to be heard should be given opportunity.

After the Weiss subcommittee finishes with consideration of the Hobbs bill, it will be up to the full postoffice committee to decide what to do about it.

Mutual Assessment Enforceable

An assessment against policyholders of a mutual is enforceable in Georgia, the Georgia court of appeals has decided. The receiver of the Central Mutual of Illinois sued Samuel B. Gaston, who had resisted payment of a 100% assessment. The appellate court held that taking out a policy in a mutual makes one a member of the corporation and that insured assumes "all liabilities and obligations imposed by the policy."

Successful agencies use the Insurance Buyers' Digest for promoting new business. Write The National Underwriter for samples.

Promotions Made by Chicago Company

Hoag to Continental Casualty Head Office—Lustgarten Is Successor

A number of promotions and increased responsibilities in the official staff of Continental Casualty in order that it may adjust itself to its rapidly expanding business were announced by President M. P. Cornelius. Vice-president Norman Hoag, who has been the executive in charge of the Chicago branch office, is promoted to the home office to assume executive responsibility of the



NORMAN HOAG

miscellaneous casualty and surety operations, excluding claims. George E. Hofmeister as vice-president will be in charge of miscellaneous casualty underwriting, and Vice-president Walter E. Kraft will continue to be responsible for fidelity and surety underwriting.

Hoag's Long Experience

Henry Lustgarten becomes resident vice-president, assuming responsibility of operations of the Chicago branch office in the Insurance Exchange building.

These changes do not affect operations of the accident and health business which as heretofore will be under executive direction of Vice-president J. Milburn Smith. All changes become effective Aug. 1.

(CONTINUED ON PAGE 28)

Guarantee of N. A.	254,156	-1.5	58.2	43.3	17.3	-3	42.2	13.9	...	2.4	
Hartford Acc.	3,386,801	7.4	49.2	43.4	16.5	6.4	25.4	14.2	4	2.8	
Home Indem.	181,858	29.4	57.9	12.7	8.6	10.9	36.7	5.6	7	4.0	
Indem. of N. A.	1,095,389	22.1	49.4	28.5	14.3	4.6	29.1	11.0	1.0	3.7	
International Fidelity ..	11,124	9.4	76.2	14.4	11.8	...	11.4	60.3	...	4.5	
Liberty Mutual	3,061	...	20.0	79.4	...	...	7.4	11.4	...	1.8
London Guar.	12,034	-7	30.1	70.6	10.2	8	25.4	1.5	1	2.4	
London & Lanc. Ind.	158,728	5.0	64.4	30.6	10.6	13.0	33.8	12.5	1.7	3.4	
Lumb. Mut. Cas., Ill.	3,054	40.0	46.0	13.7	1.2	3.2	34.4	7.6	7	4.4	
Manufacturers Cas.	96,312	84.7	68.3	-53.0	-1	32.1	25.1	8.1	1.2	1.8	
Maryland Cas.	4,356,163	8.5	51.8	39.7	-5	9.0	81.0	8.4	3	3.1	
Mass. Bonding	1,263,167	-3	6.6	55.2	64.4	20.8	6.0	37.6	9.8	4	1.4
Merchants Indem.	42,252	-7	47.7	51.6	10.6	...	35.3	1.5	...	1.8	
Metropolitan Cas.	166,054	25.2	55.5	19.6	3	5.4	26.6	20.9	...	5.8	
National Casualty	2,467	23.3	42.0	19.7	4.5	25.4	8.6	6	2.9
National Surety	4,587,599	5.7	58.6	35.7	14.9	6.7	36.6	11.2	7	3.4	
New Amster. Cas.	1,275,388	6.1	49.9	44.0	13.9	8.0	29.0	9.3	6	3.0	
New Eng. Cas.	121,576	12.2	43.3	44.5	...	...	39.6	1.0	2	2.5
New York Cas.	436,367	-6.4	46.9	59.5	29.7	4.0	28.2	11.3	4	3.0	
No. Amer. C. & S. Re.	38,948	11.4	89.3	...	7	...	3	86.1	1.3	...	1.6
Occidental Ind.	164,856	6.2	47.9	45.9	...	1.6	33.1	8.4	8	4.0	
Ocean Cas.	126,715	20.3	51.3	28.4	...	6.3	29.0	12.2	8	3.0	
Peerless Cas.	529,326	9.8	52.0	38.2	...	1.3	2.2	10.5	1	2.9	
Phoenix Ind.	318	...	27.3	72.7	...	...	24.9	9	...	1.9
Preferred Acc.	659,904	33.1	51.8	15.3	...	5.2	37.0	6.1	3	3.0	
Royal Indem.	472,135	-8.2	35.9	69.3	31.3	5	25.5	7.0	4	2.5	
St. Paul Merc. Ind.	1,369,083	2.7	41.9	55.4	41.6	3.4	26.4	7.8	8	3.5	
Seaboard Surety	1,736,160	9.9	54.7	35.4	13.1	8.3	27.0	8.5	7.1	3.8	
Security Mut. Cas.	2,056	1.6	37.7	60.7	4.1	...	32.8	2.8	...	2.1	
Standard Acc.	3,360,801	7.8	53.9	38.3	20.2	5.6	36.1	7.9	8	3.5	
Standard S. & Cas.	161,719	...	55.5	29.2	4.1	6.4	38.3	4.8	1.2	2.8	
Sun Indemnity	60,871	-23.2	48.6	46.4	32.4	17.6	23.3	5.5	...	4.6	
Travelers Ind.	1,154,057	15.8	69.8	14.4	7.2	5.5	42.0	16.5	12	6.3	
U. S. Casualty	341,853	10.5	58.2	31.3	5.2	4.7	28.8	21.0	5	3.8	
U. S. Fld. & Guar.	5,783,916	47.7	62.0	...	...	3.1	13.4	12.8	8	2.9
U. S. Guarantee	1,948,351	4.4	29.2	66.4	49.5	8	15.1	9.9	3	3.1	
Yorkshire Indem.	429,288	1.7	53.0	45.3	8.7	1.4	46.1	3.2	...	2.3	
1938 Total	39,358,852	13.8	67.3	18.9	...	9.3	35.6	14.4	1.1	6.9	
1939 Total	43,309,975	20.6	66.0	14.4	...	9.3	34.9	13.5	1.9	6.4	
1940 Total	42,954,646	21.5	65.6	11.5	...	6.7	33.0	11.8	1.0	7.9	
1941 Total	52,313,238	10.6	59.9	29.5	5.6	6.7	36.6	12.3	8	8.2	
1942 Total	63,288,925	12.3	55.9	31.8	11.8	5.9	34.7	11.3	8	7.9	

Farm Liability in New Contract

L. E. Goethe Explains the Coverage Provided by Bituminous Casualty

PEORIA, ILL.—At the annual meeting of the Illinois Farm Insurance Agents Association held here this week, with President W. R. Bottorff of Marva presiding, L. E. Goethe, special agent of Bituminous Casualty, explained the new farm liability and employers liability policy the company recently placed on the market. He said it offers general liability protection on the farm residence and property as well as for the operation and use of farm implements, tractors and motor vehicles not subject to registration except while being used under contract to others for a charge. Coverage for bodily injury liability caused by farm stock and draft animals, including vehicles for use therewith except while used for route delivery or under contract to others for a charge is provided.

Employers liability protection for farm employees and farm labor while engaged in operations and maintenance of farm insured is included. Medical expense up to \$25 for each accident to farm employees is a part of the contract.

The purpose of the coverage is to provide the farmer with protection at a nominal cost and to fulfill a need to agents on a coverage for which there has been a definite demand on the market.

Auto-Owners Hikes Commissions

LANSING, MICH. — Auto-Owners of Lansing has increased commissions to agents on private passenger car business from 25 to 30%. It reports a 34% increase in automobile business the first 10 days of June as compared with 1942. Indiana automobile business

Offer Foreign Air Travel Accident Cover to Civilians

WASHINGTON—At the request of the navy insurance division, accident insurance has been made available for civilians required to make foreign trips by airplane. This insurance is available both to government employees and to employees of firms doing business for any government office.

The three aircraft insurance groups, United States Aviation Underwriters, Associated Aviation Underwriters and Aero Underwriters, are offering air travel and war risk cover and Peerless Casualty is offering full accident coverage, including war and air travel risks. To comply with government requirements of secrecy, coverage is written in Washington and premium is charged on a world-wide basis, the assured's destination not being disclosed. When the trip is completed, the premium is adjusted on the basis of the actual exposure. No information is sent from Washington except reports of premiums and losses, but in an emergency insurance may be bound by another office.

The Washington office of U. S. Aviation Underwriters handles this line for the three aircraft groups and the Washington office of Marsh & McLennan represents Peerless Casualty.

shows 10½ times as much written as a comparable period last year.

School Board Members Liable

FRANKFORT, KY. — School board members who fail to require bus drivers to carry insurance are individually liable for damages from accidents, the state court of appeals held in a Todd county case. Constitutionality of the bus insurance law was upheld. The county school superintendent was ruled not individually liable.

Sir William Beveridge Expounds His Program

Sir William Beveridge, author of the famous Beveridge social security program for England, spoke before the Chicago Association of Commerce last week. He made a profound impression because of his sincerity, his knowledge of the subject and his fine sense of humor. Sir William advocates a three-way security program. First, he wants the assurance of permanent peace. Second, assurance of a job as long as an individual can work. Thirdly, the assurance of a subsistence income if one cannot work. He took the position that these three features of the platform are equally important for the elimination of want. He said that every nation in the world should work for that objective by using methods suited to the individual needs of the country. Sir William said that it is natural for a person to want security in time of disability and old age.

Justice Must Be Backed by Force

He said that he knew of no nation which can police the whole world. There must be an agreement among governments. Force employed between governments means war but he said that justice must have back of it force.

Speaking of his third part of the platform which involves social insurance, it covers sickness, accident, unemployment and old age. Children, he said, should be allowed an income whether the father can earn anything or not. In case of disability a person should be able to get treatment so that he can get well as soon as possible.

In speaking of children's allowances he said they should be assured against want and be paid whether the father is working or not. Then there should be a health benefit to assure the worker that he will get whatever treatment he needs to get him well if he is ill without his having to pay in such an emergency. He believes in flat benefits for everyone regardless of their income. He would have it apply therefore to every person. He said that the English comprise a homogeneous nation and therefore they are in a position to act freely. Any income or any social insurance benefit, he said, should be just sufficient to keep people from want. Most people, he added, will want and demand more and therefore they should purchase according to their ability. He said that people should be encouraged to increase their insurance in order to get greater benefits if they can afford it.

Employment Benefits

He said that no employment benefit should be allowed if a person is offered a job by the employment exchange. If a job is available a person must take it. The Beveridge plan, he said, is one for the abolishment of want. Every person, he said, will pay sooner or later toward the formation of a fund. The employer, the employee and the state will cooperate in developing the fund. It should be, he said, on a contributory basis.

Sir William denied that his plan destroyed initiative. If a person is not satisfied with the bare subsistence allowed through the social insurance plan and if he has a gross income which will enable him to purchase more protection he should so act. He predicted that his plan or something like it will be adopted after the war. He contended that his plan fits the British way of thought because people see that it is necessary to abolish poverty.

He called attention to the different changes in the employment situation. Every nation, he said, should have some scheme to fit its economy and condition. Each should act for itself.

Speaking of the second provision in his platform, it being the maintenance of employment, he said employment should be stabilized in a reasonable way. Depressions should be leveled down and conditions met which create mass unemployment. He acknowledged that em-

ployment will be difficult when the men return from the service. He came to this country, he said, knowing that the United States faces this problem. He is talking with leaders here to get their reaction. He wants to know how they view state planning. He predicted that trade cycles ups and downs would increase in severity and he proposed that every nation have a program similar to the Beveridge scheme to deal with unemployment upheavals, which he said are natural to every free economy.

Mass Unemployment

Sir William said that the greatest single anxiety of every man is concerned with the recurrence of mass unemployment after the war. The cause of joblessness is the fluctuation of the industrial economy. To eliminate want, he declared, a man must be able to face an economic world that is more stable than ours has been. He must be able to plan and to insure himself against chances that occur. To accomplish this stabilization when some of the cyclical changes take place, can only be done by individual efforts of private enterprise, the government itself and a combination of efforts between nations.

He suggested that private enterprise be used to keep people employed and that certain industries such as railroads, public utilities, etc., be taken over by the state and used to take up the unemployment slack when private industry suffers a slowdown. Inasmuch as the changes in agricultural prices are a factor in the business cycle, he said some sort of an agreement on stabilization of these prices would be necessary. He said that the Hot Springs food conference will be a good foundation for mutual understanding between countries on this very subject.

Doesn't Fear Government

There must be an addition, he said, to the mechanical equipment of a country to produce more. There will be more need of much building of houses, automobiles and the production of food. Private enterprise, he said, should be able to borrow money to enlarge its activities. Great Britain, he added, will go further than the United States because it is not so afraid of government if it can be controlled.

Trade Cycles Not Narrow

Trade cycles, he said, are not narrow but extend themselves throughout the world. He abhorred interference with trade activities. Distribution, he said, should be as free from as many restrictions as possible. He advocated the collaboration of plans among nations and urged the good neighbor policy. He made five suggestions.

1. That Great Britain after the war should try to avoid mass unemployment by a new approach to trade cycle problems with the government taking over direction of certain industries requiring them to increase expenditures and activities when others are reducing operations.

2. That nations should act together to stabilize agricultural prices to avert catastrophic fluctuations.

3. That Great Britain is determined (CONTINUED ON PAGE 28)

C. A. Craig Honored on His 75th Anniversary

NASHVILLE—C. A. Craig, chairman National Life & Accident, celebrated his 75th birthday Tuesday. He was presented a book containing letters from some 300 friends throughout the country. Many visitors called on him Tuesday to offer congratulations.

Active in Women's National Group

One of the most active members of the National Association of Insurance Women is Miss Clara A. MacCubbin, its first vice-president. She was named chairman of the organization committee last June and since that time 20 new clubs have been organized and about 1,800 new members enrolled. Miss MacCubbin has helped to organize many of these clubs and frequently travels hundreds of miles to help them work out knotty problems. She was elected first vice-president to fill the unexpired term of Miss Ethel Brink of Tulsa, Okla., who died last Christmas Eve.

Interested in Younger Women

Miss MacCubbin is keenly interested in the younger women in the insurance profession and encourages them to join their local organizations. She organized the Maryland Association of Insurance Women a few years ago. She has great faith in the future for women in the insurance business. Their chief handicap at the present time, she believes, is an inferiority complex and a fear they cannot succeed. Her motto is "You can make a success of anything if you believe in it and have enthusiasm for it."

The National Association of Insurance Women provides educational facilities through which women can be trained to take over more responsible jobs. "The insurance clerk of today is the insurance executive of tomorrow," Miss MacCubbin says, "and we should unselfishly lend our assistance in training them to carry on."

Miss MacCubbin occupies an important position in the agency department of U. S. F. & G., where she has spent her entire business career. She has had experience in the field and home office



CLARA A. MacCUBBIN

and is held in high esteem by all her associates. Nothing is too large or small for her to undertake. She was special agent for four years and has gone out as investigator in many cases. She has learned the problems of the field men as well as those of the home office and she is well equipped to handle both. She is an energetic person and devotes what spare time she has to volunteer work for the OPA and the USO and in addition manages her brother's farm while he is in the service.

ACCIDENT AND HEALTH

Seltzer Elected Des Moines Head

DES MOINES—Martin L. Seltzer, general agent of General Accident, was elected president of the Des Moines Association of Accident & Health Underwriters at the annual meeting. L. J.



MARTIN L. SELTZER

Myklebust, Northern Life, was named vice-president; R. W. Johnson, Mutual Benefit Health & Accident, secretary; Dan Figgins, Massachusetts Protective, treasurer; John W. Eagleson, Jr., North American Accident, and A. Alexander, Travelers, executive board members.

Plans for the mid-year meeting of the National Association of Accident & Health Underwriters which will be held in Des Moines in January were discussed. As Mr. Seltzer, who is also manager of Kansas City Life, is a veteran in association work, having been extremely active in the National Association of Life Underwriters and president of the Iowa and Des Moines life associations, it is anticipated that the mid-year meeting will be an outstanding event.

In its first year under the leadership of Harold B. Eckey, Inter-State Business Men's, the Des Moines association has established an enviable record with a membership of over 50, the majority attending the annual meeting.

Mr. Eagleson, as delegate to the National association annual meeting, reported on the Pittsburgh gathering. Charles D. Spencer of THE NATIONAL UNDERWRITER spoke. The nominating committee had prepared two slates of officers and there was considerable friendly rivalry over the election.

Chicago Dinner June 25

New officers of the Chicago Accident & Health Association will be installed at its annual dinner at the Union League Club June 25. Aside from the installation, it will be purely a social occasion. It will be preceded by a cocktail hour.

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Occidental Ties A. & H. and Life in More Closely

Occidental Life of California has announced a completely new line of accident and sickness policies intended to tie the life and accident and sickness departments more closely together. The new line was designed so that its similarity to life insurance would interest life salesmen and at the same time competitive features were added which would attract the accident and sickness specialist. The new line is standardized so that the terminology and construction will be familiar to the life salesman.

Occidental has compressed and reshaped some 25 policies into a uniform sales line of 12 policies in three series. Series A contains commercial policies, Series B features two intermediate policies and Series C contains policies designed especially by the company. The intention is to standardize all policies wherever possible and to liberalize as much as possible for the benefit of the policyholder and agent.

Many Policy Liberalizations

The liberalizations are uniform in all policies. The main ones are that all sickness coverage has the two-year presumption clause, whereby after a policy has been in force two years, all sicknesses are presumed to have had inception during the life of the policy. This is an incontestable clause somewhat similar to that of life insurance. All policies have 31-day grace period, the same as life insurance. There is no pro-rate. All policies contain the short, non-prorating standard provision No. 1, which means that a claim will not be pro-rated if the policyholder is injured in an occupation more hazardous than that classified in the policy. The company has eliminated Standard Provision 16, which gave the right to cancel during the term for which premium had been paid. It retains the right to refuse renewal premiums.

Diseases of organs not common to both sexes are covered. Only pregnancy is excepted. All policies are available to women. All policies pay one-half total disability benefits for partial disability. Premiums will not increase on renewal because of age; no reduction in benefits because of age. All income policies may be put on a non-occupational basis merely by attaching a rider and reducing the premium to AA rates. Sickness benefits are renewable through age 65. Hospitalization coverage provisions now read "hospital or nurse." Partial disability and double indemnity may be eliminated by rider-reducing premium.

Classification Manual Revised

The classification manual has been revised to conform with modern needs. The greatest effort was made to make accident and sickness coverage available to the man who works with his hands. Commercial policies are sold from AA through E classification; intermediate policies through F; Occidental specials include policies which can be sold through classification I. Medical reimbursement is offered to farmers in conjunction with commercial policies as well as other forms. Benefits for loss of limb or sight are predicated on amount of total disability benefits rather than a fixed amount.

New Modernized Rate Book

The ratebook was designed to facilitate tailoring a custom accident and sickness policy to fit the prospect's need. Instead of a series of complete, unchangeable policies, it offers a wide

choice of basic time indemnities (weekly, monthly, with varying elimination and disability payment periods). To these can be added, by riders, the superstructure of extra benefits. Complete details on all riders are printed on pages adjacent to every outlined time indemnity. Any rider can be added to any of the basic time indemnities. Restrictions are held to an absolute minimum. Pages of the manual describing each series of policies are printed on a different colored paper. A separate section explains in detail all the riders. This is printed in yet another color. A standard, one-page application is used for all policies. The number of questions has been cut almost in half.

Life income is available for both accident and sickness disability, full benefits for non-confining sickness up to 52 weeks, accidental death benefits up to \$100,000, accident income for male risks through age 74. Special salary savings coverage is available for groups of five or more, and a comprehensive accident and sickness expense policy for employed or unemployed men or women, or students.

Joint Meeting for O'Connor

MILWAUKEE—E. H. O'Connor, executive director of the Insurance Economics Society of America, will speak

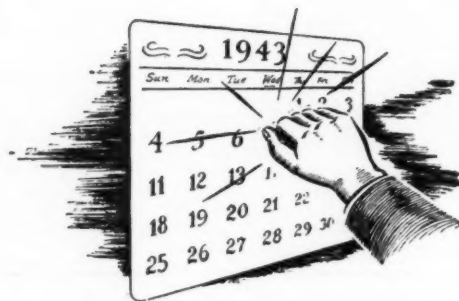
at a joint luncheon meeting of the Milwaukee Association of Life Underwriters and Milwaukee Accident & Health Underwriters June 17 on "Free Enterprise and the Insurance Industry." John M. Sisk, Bankers Life of Iowa, president of the life group, and Alvin Veitenhaus of Dick & Reuteman, head of the accident and health association, will preside jointly.

O'Connor Address in St. Louis

E. H. O'Connor, executive director of the Insurance Economics Society, will discuss "Extension of Social Security Act and its Effect on Industry" before the Associated Industries of Missouri in St. Louis, June 22.

Raise A. & H. Commissions

NEW YORK—A number of companies writing accident and health have increased their commissions to agents and brokers 10% for the balance of the year in an effort to stimulate agents' efforts in that field. In order to qualify for the extra commission, the usual requirement is for a minimum premium. One company, for example, pays 35% to general agents. If there is a minimum of \$200 in new accident premiums, the commission paid is increased by 5%. If there is a minimum of \$400 new



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accident premiums, the commission is increased to 45%. The health commission scale is slightly lower. Among the companies are Maryland Casualty, U. S. F. & G., Ocean Accident, and Globe, Royal and Eagle Indemnity. With some of the companies, the change became effective April 1 and with others May 1. It is too early yet to see what the results will be.

N. Y. Lists Members in Service

NEW YORK—An attractive new directory of active members and members in the armed forces has been issued by the New York City Accident & Health Club. It lists members both alphabetically and by companies, giving street address and telephone number. Addresses are given for 29 members in the armed forces. A red, white and blue band across the cover forms a "V" when both front and back covers are opened. The directory was prepared by a committee of which J. L. Ullman, assistant secretary W. L. Perrin & Son, is chairman.

Wisconsin National Increases

New life business of Wisconsin National Life increased 65.3% in May over May, 1942. New accident and health business was up 36.2% for the same month. For the year to June 1, new ordinary life business has increased 17.7% and new commercial accident and health business 6.3%.

McGurk Indianapolis President

The Indianapolis Accident & Health Club held its annual meeting Monday. Officers elected are: President, John McGurk, Mutual Benefit Health & Accident; vice-president, P. J. Walsh, Hooper-Holmes and American Service Bureaus; secretary-treasurer, Wendell C. Taylor, Taylor Publishing Company; executive committee, Noel Iiams, Business Men's Assurance, chairman; C. Norman Green, Hoosier Casualty; B. B. Ochs, Loyal Protective Life; M. E. Noblet, North American Accident, and H. D. Davis, Illinois Bankers Life.

COMPENSATION

Tighten Up Mass. Compensation Act

BOSTON—Workmen's compensation insurance has become compulsory in Massachusetts for all employers of six or more, except those who can qualify as self-insurers, as a result of action of the legislature in the closing hours of its 1943 session. The measure has been signed by the governor. The bill exempts the telephone and railroad companies, all interstate carriers and farms and domestic servants from the compulsory coverage. Coverage by religious and charitable organizations is optional.

Employers, under the bill, may elect to come under the state workmen's compensation act or may qualify as a self-insurer by buying insurance direct or making a deposit of \$10,000 with the state treasurer. The law goes into effect Nov. 15.

Formerly compensation coverage was optional, an employer, however, being subject to suits at common law if he elected not to come under the state act. The American Federation of Labor lost its long fight to establish a state compensation fund when the senate killed the bill by a voice vote.

A social security bill designed to provide benefits to protect the health of

working women before and after childbirth was also killed.

Wisconsin Benefits Increased

MADISON, WIS.—Governor Goodland has signed the bill increasing workmen's compensation benefits. The minimum average weekly rate for temporary disability is increased from \$10.50 to \$12.50, and the maximum from \$30 to \$35. Permanent disability maximum is raised from \$20 to \$30. The law now also provides that employers shall be liable for reasonable expense for the treatment of occupational diseases under certain conditions. Physicians' and surgeons' reports shall be considered prima facie evidence in claims submitted by injured workmen.

Study O. D. Problem in Va.

RICHMOND—The advisory legislative commission created at the last session of the Virginia legislature to consider whether occupational diseases should be placed under the workmen's compensation act held its first public hearing at Roanoke. All three members of the Virginia industrial commission attended, to present facts rather than to express any opinion on the problem. Organized labor has said that it will support legislation of this character. The commission will report at the session next year. Meanwhile, it is expected to hold additional hearings.

CHANGES

O'Neill Assistant to Bean

Edward A. O'Neill has been appointed assistant to Thomas L. Bean, production manager of Royal Indemnity. Mr. O'Neill has been with Eagle Indemnity for two years as assistant production manager. In this position he traveled country-wide in agency development work. Mr. O'Neill was first employed by Great American Indemnity, where he successively served as adjuster, claims examiner and New Jersey special agent.

Rubin Resigns Eureka Post

M. Harold Rubin of Columbus has resigned as state supervisor of Eureka Casualty in Ohio, effective July 7. He was instrumental in having the company enter Ohio and developed the agency plant there. He was for eight years with Union of Indiana as state agent and also had served as agency manager of Western & Southern Fire and Indemnity. He also traveled Ohio for American Casualty for eight years. Mr. Rubin was married recently to Mrs. Millie Gordan in Covington, Ky.

Moves Texas Branch to Dallas

Insurers Indemnity of Tulsa has moved its Texas branch office from Houston to Dallas, with offices in the Republic Bank building. Todd Green remains as state agent. The office in Houston will continue as a service office under the supervision of Mr. Green, with L. C. Army in charge.

Marbury Assigned to Atlanta

William A. Marbury has been appointed special agent in the southeastern territory of American Automobile, with headquarters in Atlanta, under Manager E. J. Aurada. Mr. Marbury goes from New Orleans, where he has operated as a special agent for two years.

Kox Supervisor for Mutual

Rodney A. Kox has been appointed group supervisor in the western division office of American Mutual Liability in Chicago. He has been in insurance since 1930. Previously for a time he was general sales manager of Northern Mutual Casualty in the home office in Chicago and before that for five years was connected with Travelers, for a time as resident manager in Oak Park, Ill.

Unusual Opportunity for Capable UNDERWRITING EXECUTIVE

A prominent and progressive casualty company is seeking an experienced underwriter to take charge of its workmen's compensation and miscellaneous liability underwriting department at its head office in the East. A man between 35 and 45 years of age with home office experience in those lines is preferred. Liberal salary and other advantages are available to a man of good personality and ability.

This is a unique opportunity for a man to become identified with this company in an important way. Applicants are, therefore, advised to write promptly giving full particulars and are assured that their replies will be held in strict confidence.

Our own personnel has been informed of this advertisement.

ADDRESS BOX 5-8, THE NATIONAL UNDERWRITER,
175 W. JACKSON BLVD., CHICAGO, ILL.



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AUTOMOBILE • BURGLARY • PERSONAL
PROPERTY FLOATERS • PLATE GLASS
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MARINE • WORKMEN'S COMPENSATION
MANUFACTURER'S and CONTRACTOR'S
LIABILITY • OWNER'S, LANDLORD'S and
TENANT'S LIABILITY • COMPREHENSIVE
LIABILITY • PERSONAL COMPREHENSIVE
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TRINITY UNIVERSAL INSURANCE COMPANY

Edward T. Harrison, President

AUTOMOBILE • CASUALTY • FIRE • INLAND MARINE • COMPENSATION • BONDS

Dallas Los Angeles San Francisco Portland Seattle Denver Topeka Chicago
Indianapolis Cleveland Columbus Philadelphia Pittsburgh Newark Birmingham



COMPANIES

Mid-States Now Writing All Lines

Mid-States of Illinois, the casualty carrier formed in 1941 by General Finance Corporation of Chicago, now is actively entering the casualty field for the writing of all lines. Heretofore it has confined its business to automobile fire, theft and collision covers. Beginning in June it is writing the full cover automobile, all types of liability insurance and hospitalization.

The company started establishing an agency plant Jan. 1, and is now getting practically all its business from non-automobile finance channels. It is entered in Michigan, Illinois, Ohio, Missouri, Florida and Georgia, and is entering other states.

Snyder Is General Manager

W. R. Snyder is vice-president and general manager of the company. He is the insurance operating head. He formerly was with Mid-America, the Mid-States' predecessor, which was a Michigan corporation. Mr. Snyder was with Western Adjustment for 15 years before going with Mid-America in the Chicago territory. Previous to that he had had field experience with North British in the Chicago territory, and with other companies. R. M. Cass, secretary-treasurer of Mid-States, was with Lumbermen's Mutual Casualty for a number of years. Owen Coon, head of General Finance, is president.

Capital of Mid-States is \$200,000, and surplus as of June 15 was approximately \$250,000. The company has a reinsurance treaty with Employers Reinsurance. It is located at 184 West Lake street, Chicago.

Has \$156,275 Surplus Gain

Premiums written by Western Casualty & Surety and Western Fire in the first four months totaled \$1,500,763, a decline of \$38,000 compared with the same period of 1942. Earnings from operations were \$240,275 before deduction of \$167,000 for federal taxes. There was a gain of \$156,275 in surplus for the four months. Directors declared the regular dividend of \$1.50 per share on the 6% preferred stock, payable July 1.

Pennsylvania Casualty has been admitted to New York.
Manufacturers Fire and Manufacturers Casualty have been admitted to Iowa.

ASSOCIATIONS

Los Angeles Attorney Talks on Airplane Accident Law

LOS ANGELES—Joe Crider, attorney, addressed the Casualty Insurance Adjusters Association of Southern California on "Airplane Accidents" involving passengers in a regular transportation plane.

He said the law on negligence is no different when an airplane accident is concerned than in other common carrier cases, but the psychology in airplane cases is likely to jump the damages asked to ten times the amount in other transportation accidents. The question of contributory negligence does not enter into an airplane accident case as it does in respect to other means of transportation. He declared that the guest statute applies on airplanes just as it does on automobiles.

Youngstown Claim Club Outing

More than 50 members and guests attended the annual outing of the Youngstown (O.) Claims Club. Harry Bowmaster, vice-president of the B. L. Agler & Co. agency, was one of the

golf prize winners. A dinner followed the golf tournament.

Adjusters Meet in Newark

NEWARK—The Adjusters Association of New Jersey at a meeting in Newark this week had as its speaker Capt. Michael Fiaschetti, formerly on the New York police department's alien squad.

Officers will be nominated at the meeting of the Casualty & Surety Field Club of Ohio in Columbus July 12. The election will be in August.

PERSONALS

John Martin, special agent in southeastern Ohio of the Buckeye Union companies, recently underwent an operation and is now recuperating.

H. O. Fishback, Jr., vice-president of Northern Life of Seattle in charge of its accident and health department, attended the annual meeting of the Health & Accident Underwriters Conference at the Edgewater Beach Hotel, Chicago, and then went on to Boston to attend

the meeting of the National Association of Insurance Commissioners and that of the National Association of Accident & Health Underwriters in Pittsburgh. He stopped en route home in Chicago to confer with some of his friends. Mr. Fishback's father was for a number of years insurance commissioner of Washington and was one of the most picturesque figures among the commissioners. He was a man of great stature and positive convictions.

Bart Leiper, advertising manager of Provident Life & Accident, originated and is editing, with the assistance of

The Home of HUMAN SECURITY



5
MULTI-POWER
Lines

- 7th largest producer of
ACCIDENT and HEALTH
among 250 companies
- 69th in total
LIFE INSURANCE in force
among 350 companies
- Over a Half-Century
of Service

PROVIDENT
LIFE AND ACCIDENT
INSURANCE Since 1887 COMPANY

Chattanooga, Tennessee

Life : Accident : Sickness : Group : Hospital

writers and artists of his department, the "Home Front News," which is being sent monthly to all Provident Life men in the service all over the world. The paper is cleverly illustrated.

R. E. McCullen, vice-president of American Automobile, in charge of claims at the home office was in Atlanta for a few days on business, having visited New Orleans and Memphis.

W. W. Greene, vice-president of General Reinsurance, is on a trip to the Pacific Coast.

W. Wallace Moorhead, vice-president in charge of agencies of United States Casualty, spent several days last week with T. E. Barton, Jr., resident manager in Chicago, on an agency trip through the middle west and some southern states. He plans to return to the home office about July 1.

E. J. Savage, superintendent of agents of Zurich in Chicago, was called to New Orleans because of the critical illness of his father, **A. M. Savage**, who is a veteran local agent. A. M. Savage has been ill for some time and just a few days ago his condition deteriorated considerably.

David C. Gibson, vice-president of Maryland Casualty, completed a visit to Indianapolis, Chicago and Detroit. He was particularly interested in the sales opportunities created by the new automobile financial responsibility laws in Indiana and Michigan and also in the probable action that will be taken on the bill that is pending in Illinois.

C. W. Collier, assistant secretary of Hartford Accident, was in Chicago this week. He is on a western trip.

Questions Under New Theft Form

(CONTINUED FROM PAGE 10)

houses and other buildings where students live while at school should not be considered as "dwellings" within the meaning of the provision in the policy as follows: "This coverage does not apply to property while in any dwelling owned or occupied by or rented to such person except while temporarily residing therein and then only during the first 60 days thereof."

Does the policy cover a young man or woman who is taken into the service? The question here is as to whether a person who is drafted into the service and goes to DeWitt and then to Colorado and then somewhere else—is he given 60 days coverage at each new temporary residence? Would barracks come within the term "dwelling"? Barracks, tents and other living quarters of people in the armed forces or auxiliaries thereof should not be considered as "dwellings" within the meaning of the provision in the policy as follows: "This coverage does not apply to property while in any dwelling owned or occupied by or rented to such person except while temporarily residing therein and then only during the first 60 days thereof."

If an insured rents a summer cottage for four months, how will he get complete protection? To cover this situation, short term coverage A should be provided in accordance with the manual as follows: "The premium for a policy written for less than one year shall be computed short rate. The short rate premium for each separate period of exposure shall be charged. This rule does

not apply to additional and excess insurance."

If an insured who has a \$1,000 policy on section (a) and (b) rents a cottage for a period of 60 days the coverage is automatically extended to cover theft of any property while in dwelling. Supposing he has a boat tied at the dock which is not on the premises and it is stolen. Our opinion is that this boat is covered at all times and if it were stolen it would be covered under coverage B—thrift away from the premises. This case is covered up to \$500.

Is the new residence policy intended for farm risks? To what extent does it cover the hazard arising from a risk of this nature? Is it necessary to enter farming as a business in item 4 of the declarations? Are chickens birds? Farm risks would be written on exactly the same basis as private residences. Item 4 of the declarations should be answered "Farming." It is unanimously agreed that chickens are birds and therefore chickens are not covered under the policy.

Is a farmer's tractor an automobile? A farmer's tractor is not an automobile and, therefore, loss by theft of a farmer's tractor would be covered.

Under cover B, theft away from the premises, exclusion C, it states that residence employees' property is not covered unless they are engaged in the employment of the insured or a permanent member of his household and the property is in their custody. If an employee were with a family and they checked their clothes at a hotel or some other public place, would it be considered in their custody? Also if an employee was on a trip with a family and the employee left her bags in a car along with the family's would this be considered in their custody? It is agreed that the property in each case would be in their custody. The same problem is involved in this policy as is involved in connection with the residence liability insurance. It all ties down to coverage while the residence employee is "engaged in the employment of the insured." It was felt that when the nursemaid took the children to the theater and her purse was stolen coverage would be given. If on the other hand the nursemaid goes out for an evening to go to the theatre and her purse is stolen, it is not covered. Some question was raised as to whether there might be coverage in such a case in a rural district where there was nothing for the maid to do but go to a theater or something like that at night so that she really becomes an employee for 24 hours in the day. This same question exists in connection with the residence liability policy.

Does coverage B apply to a portable typewriter or a fountain pen occasionally used by a business man for the purpose of writing up memoranda or communications pertaining to his business? Yes, provided that the typewriter or fountain pen belongs to the man individually and does not belong to his employer and is used at least occasionally for non-business purposes.

Should provision be made for increasing the \$500 limit on boats? It is agreed that no increased insurance should be permitted on boats in view of the fact that this insurance may be secured from the marine companies.

Question has been raised as to whether section (1) of exclusion (b) excludes coverage on automobile parts and equipment which are within the residence. Some statement should be made clarifying the coverage as respects this equipment under this policy and the automobile theft policy. An interpretation of this coverage will be forthcoming, which is expected to exclude equipment covered by the present fire and theft policy.

Coverage is carried in the amount of \$1,000 under section b of insuring clause I and \$150 applies specifically to a ring under section c of insuring clause I. The

actual value of this ring is \$350 and it is stolen away from the premises. Can the insured collect the actual value of the ring or only \$150? Actual value. Specific insurance applies only on the premises. The grant of \$1,000 insurance away from the premises applies to sections a, b and c indiscriminately.

A policy is issued with \$1,000 coverage under section b of insuring clause I (property other than jewelry, silverware and furs). Does the grant of \$1,000 insurance away from the premises apply to jewelry, silverware and furs? Yes.

Damage coverage on vandalism or malicious mischief in coverage A of insuring clause I applies to "the interior of that part of any building occupied by the insured at the premises..." Is this interpreted to include garages and out-building? Yes.

If a boy takes a shot at a window with an air rifle and breaks it, is the damage considered to be to the interior of the building? No.

An insured leaves a camera and top coat in an unlocked car. Is he covered if they are gone when he returns? Yes.

Is property of guests covered under coverage A of insuring clause I? Yes, with respect to that part of the premises, as defined in the policy, occupied exclusively by the insured.

Is property of guests covered under coverage B of insuring clause I? No. This coverage is specifically limited to the insured, a permanent member of his household and a residence employee.

Are electrical and plumbing fixtures covered under coverage A of insuring clause I? Yes, under section (b) of coverage A.

Are losses caused by guests and servants covered? Yes. Losses caused by anyone are covered, except theft, vandalism or malicious mischief committed by a relative of the insured permanently residing with him.

What is the policy total where \$1,000 coverage is carried on the premises and \$1,000 is granted away from premises? Theoretically, the total coverage is \$2,000 but the policy provides that any loss covered in whole or in part on the premises is excluded from the coverage away from the premises.

How can coverage at secondary homes be extended beyond the 60-day period provided in the policy? Only by writing a separate policy.

Would the policy cover a coat placed in a fur storage vault for safekeeping, against the perils of burglary, robbery, theft or larceny? Yes.

President O'Neill Prepares to Retire at Year End

(CONTINUED FROM PAGE 19)

coaching work at Williams and at Colgate.

After graduating from the Syracuse law school Mr. O'Neill went to work for a leading Syracuse law firm. He was put to work on claim investigation work for Travelers, which the firm represented in Syracuse, and in 1905, six months after going to work, he was made a firm member. Handling fire insurance as well as casualty claims, Mr. O'Neill's reputation grew until he became Syracuse's leading lawyer in this field.

In 1915 Mr. O'Neill went to New York City as general counsel of Royal Indemnity. He continued his interest in football, acting as advisory coach at Syracuse, where he had been a coach since 1913. He had charge of the general coaching policy at Syracuse and each fall took off a few weeks to be with the team. Becoming third vice-president of Royal Indemnity he later retired as advisory coach though still finding time to do some work along this line at Columbia University in New York City. He went on successively to second vice-president and first vice-president and by 1921 considered that he had withdrawn from football. However in the fall of that year he became advisory coach at Columbia.

Mr. O'Neill became president of Royal Indemnity in 1927. In addition to heading both Royal Indemnity and Eagle Indemnity he is general attorney for the Royal-Liverpool group.

Chicago Branch Has Outing

Agents in the Chicago branch of Travelers held their annual outing Tuesday at Itasca country club. B. H. Groves, life and accident manager,

James White, casualty manager, and A. B. Smilie, Travelers Fire manager, were paying guests. About 100 attended.

Maryland Casualty Issues Cartoon Safety Posters

J. R. Williams, nationally known comic artist and creator of "Out Our Way" cartoons which appear in newspapers throughout the country, has produced for Maryland Casualty a series of 12 safety posters using the "Out Our Way" theme.

Each cartoon depicts an important safety problem, bringing a humorous but effective touch into the ordinarily somber presentation of accident prevention lessons.

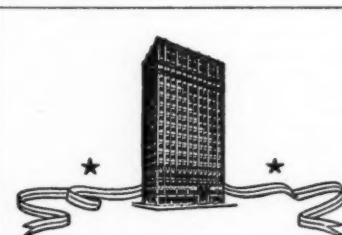
The new posters are being distributed to all plants insured by Maryland Casualty and will be seen each month by millions of workers. In addition, they are available to all Maryland agents for presentation to clients and prospects, as a means of cultivating good will and aiding in spreading the safety message.

Comprehensive Covers in One

Standard Accident has now issued a new comprehensive liability policy combining the comprehensive general liability and the comprehensive automobile liability in one policy. Some of the other companies already had done this. Standard Accident will use the new form exclusively when its agents' supplies of the separate comprehensive policies are exhausted.

At the same time Standard Accident made several editorial changes necessary because of the combination.

The Connecticut department staff presented a gold wrist watch and a defense bond to **J. C. Blackall**, who retires as insurance commissioner July 1. Chief Actuary R. O. Hooker made the presentation.



PIONEERS

AND specialists in insurance protection for the trucking industry. This company for 14 years has specialized in underwriting and rendering safety service to scores of transportation concerns in their long haul operations. The service has been helpful in reducing their insurance and operation costs . . . just one of the many classes of insurance written by this multiple line company.



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Income Insurance Specialists

NORTH AMERICAN ACCIDENT INSURANCE COMPANY • 209 SO. LA SALLE STREET CHICAGO

Much Interest in National A. & H. Rally

(CONTINUED FROM PAGE 19)

Gregory and Sydney Altman, had been nominated for reelection. When Mr. Gregory's name was reached in the voting, W. M. Ivey, Monarch Life, Pittsburgh, stating that his action was not based on any opposition to Mr. Gregory but solely on the reelection angle, nominated R. J. Barrett, General American Life, St. Louis, and then Bert A. Hedges, Business Men's Assurance, Wichita, but both declined the nomination. The slate then went through as proposed.

The new president has been selling accident and health insurance since 1906 and Toledo general agent of National Casualty since 1909. He has been one of the most faithful workers and consistent supporters of the National association movement and has never missed a national convention. He has moved up through all the steps in the National association official family.

An advisory committee of past presidents, with E. H. Mueller of Milwaukee as chairman, was created to assist in promoting association activities.

St. Louis, which has been seeking the convention for three years, was awarded the next annual meeting by a very close vote over Buffalo, which had conducted an aggressive campaign at the Pittsburgh meeting. St. Louis' claims were presented by R. J. Barrett, and those of Buffalo by R. K. Gillen, Loyal Protective Life, president of the Buffalo association. Des Moines, with J. W. Eagleson, North American Accident, as its spokesman, was picked for the winter meeting.

Dyer Is Board Chairman

Although necessarily inactive in association work while in army service, Mr. Dyer was designated as chairman of the executive board, a post which goes automatically to the retiring president. If he is unable to attend meetings of the board, it will select one of its own members to act as chairman at each meeting. A strong resolution in appreciation of his service was adopted, and he also was paid tribute by several of the speakers, notably by Dwight Mead in his keynote address. It was announced at the banquet that a wrist watch was to be sent to him, the gift of association friends.

The desirability of an amendment in the 1943 revenue law extending the income tax deduction for accident and health premiums in the 1942 law, so that the total amount paid would be deductible from income, was brought up and at the suggestion of W. B. Cornett, Loyal Protective Life, Columbus, the resolutions committee was instructed to prepare a resolution to that effect, along the line of the recommendations made in the report of V. J. Skutt, Mutual Benefit Health & Accident, as chairman of the taxation committee of the Health & Accident Underwriters Conference. Another resolution pledged continuance of support to the work of the Insurance Economics Society.

Trophy to Kansas City

The Ferguson Trophy, presented by Hamilton Ferguson, Occidental Life, Chicago, past national president, to be awarded to the association showing the greatest record of accomplishment for the year, went to Kansas City for the second successive year. Clyde E. Dalrymple, executive board chairman, made the presentation. In accepting the award, Lyle Kindig, Massachusetts Bonding, president of the Kansas City association, said he could see no reason why his association should not win the trophy for the third year, and thus gain permanent possession of it.

The convention proper opened with a luncheon session at which Dr. Marion K. McKay, professor of economics at the University of Pittsburgh, outlined what he regards as some favorable

economic trends for the post-war period and also some possible problems that will have to be watched.

Following the session of the national council that afternoon, at which officers were elected and other association business transacted, an interesting forum on "The Secret of Accident and Health Production," sponsored by the Leading Producers Round table was presented. Unfortunately the presentation had to be very greatly abbreviated, as the program had dropped so far behind schedule that that feature, scheduled for 4 p. m., was not reached until nearly 5:30, but it went over very well.

Gilbert H. Knight, Federal Life & Casualty, Cleveland, was chairman, his associates in the forum being Miss Mar-



G. H. Knight

garet Olson, North American Life & Casualty, Minneapolis; W. J. Costigan, Business Men's Assurance, Kansas City; Walter J. Sullivan, Monarch Life, Cleveland; Ivan Fuqua, Metropolitan Casualty, Washington, D. C., and A. C. Feagan, Inter-Ocean Casualty, Pittsburgh. In introducing them, Mr. Knight said their combined periods of service in accident and health insurance totaled 141 years and that their production of business last year aggregated \$950,000.

Each of them emphasized one quality which is essential to a successful producer, with an interchange of suggestions throughout, in which the chairman and the other participants commented on and supplemented the ideas brought out.

In a brief business session at the conclusion of the forum, Mr. Knight was elected chairman of the Round Table for the coming year, with Miss Olson as vice-chairman and Mr. Costigan secretary.

Mead's Social Security Ideas

An all-day sales congress occupied the second day, with Homer J. Bisch, new president, presiding at the morning session and C. A. Sholl, vice-president, in the afternoon.

In his keynote address on "Freedom from Want the American Way," Dwight

Mead, Pacific Mutual Life, Seattle, former National association president, said accident and health production figures indicated that only 16% of the potential number of workers are covered and unless something is done to speed up the sale of more business to more workers, both men and women, the business is laying itself wide open to some kind of government plan that will provide minimum requirements. In reviewing the various bills and proposals along this line, he declared that it would be a great mistake for the private companies to put up a last ditch fight against some kind of plan which would cover the actual needs of the people.

Offers Answer to Question

"Rather I would suggest that it would be a sound idea for the government to have such a program, not only covering those not now under social security, but enlarged in scope to include a greater number of our wage earners, in fact, all those who make up to \$2,500 per year. Some such plan undoubtedly will be brought out by governmental authorities, and it is my opinion that we will get a whole lot farther by working with rather than against it.

"If the private companies, which will be in an advantageous position, will bring out a simple contract providing

You can write business with an old-fashioned pen...
but it's easier when you use WESTERN SURETY'S
Modern order blanks

AGENT'S ORDER BLANK FOR BOND, EITHER FIDELITY OR SURETY, WHERE APPLICATION IS TO BE WAIVED.
TO BE USED ONLY FOR SELECT RISKS WHICH THE AGENT CAN UNQUALIFIEDLY RECOMMEND, OTHERWISE USE PROPER APPLICATION.

AGENT'S ORDER BLANK FOR FIDUCIARY BOND, WHERE APPLICATION IS TO BE WAIVED.
TO BE USED ONLY FOR SELECT RISKS WHICH THE AGENT CAN UNQUALIFIEDLY RECOMMEND, OTHERWISE USE APPLICATION NO. 161.

Western Surety Company
Sioux Falls, South Dakota
Chicago - 175 W. Jackson Blvd.

PLEASE SEND ME THE FOLLOWING FIDUCIARY BOND, WAITING APPLICATION:

Name of party to be bonded _____ Age _____ Single ☐ Married ☐ Divorced ☐ Yes ☐ No ☐

Occupation or business _____ Address _____

Approximate worth of applicant \$ _____

Kind of Bond _____

Administrator ☐ Executor ☐ Guardian or Conservator ☐ Trustee ☐

Sole of Real Estate by Administrator ☐ Executor ☐ Guardian or Conservator ☐ Trustee ☐

Court where bond will be filed _____ State of appointment _____

Name of attorney _____ Address _____

What property is in the estate or trust? _____

Does the estate or trust owe any money? _____

Has applicant or any other person given bond or acted as surety for this estate or trust before? _____

If so, give name of surety _____

Reason for requiring new bond _____

Is applicant indebted to the estate? _____

Name and address of applicant _____ Date _____

WESTERN SURETY COMPANY
Sioux Falls, South Dakota
Chicago - 175 W. Jackson Blvd.

PLEASE SEND ME THE FOLLOWING PROSTATE BOND, WAITING APPLICATION, JOINT CONTROL OR ANY FURTHER INFORMATION: _____

Name of party to be bonded _____ Address _____ Amount of Bond \$ _____

Occupation or business _____

Due of Appointment _____

Administrator ☐ Executor ☐ Guardian or Conservator ☐ Trustee ☐

Sole of Real Estate by Administrator ☐ Executor ☐ Guardian or Conservator ☐ Trustee ☐

Court where bond will be filed _____ State _____

Name of attorney _____ Address _____

Party's reputation is good. Has not worth to approximately \$ _____ and I recommend the bond as a safe one for you to execute. The bond does not exceed a previous bond in the same estate, party bonded to not indebted to estate and will not operate a going business.

Agent's address _____

(For use only on bonds not exceeding \$5,000 where estate will be closed within 3 years. The surety for the bond is a safe one for you to execute. The bond does not exceed a previous bond in the same estate, party bonded to not indebted to estate and will not operate a going business.)

THIS pioneer bonding company has made great forward strides in its 43 years of surety service through the introduction of new ideas. For example, these modern order blanks do away with application for bonding business which the agent can unqualifiedly recommend. They are designed to save him time — to bring more business at greater profits. Let us tell you more about our profit-making service to you. Write today—



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One of America's Oldest Bonding Companies now in its 43rd Year

replacement of income only, as a base, without a lot of so-called frills, that can be sold for a reasonable cost, to begin where the government leaves off, which plan, of course, covers only minimum needs, we shall have the answer to the question of how to retain and increase our business."

He reviewed the progress of the association since its meeting 10 years ago. At that time there were 10 locals, now 42, but there should be at least 100. He listed as six "musts" for the National association an increase in membership, establishing more chapters, increase in manpower, increase in premium income of the companies, which will in turn increase the association's income, increase in educational facilities and more income to carry forward its plans, if the movement is going to survive.

He declared that the companies have not assumed their full responsibility for the welfare of the agents nor to the public and if their public relations program had been more adequate, it would have been much easier for the agent to gain a foothold and maintain himself.

Five Freedoms Spell Failure

Speaking on "The Five Freedoms Spell Failure," R. C. Laub, vice-president and agency manager of Monarch Life, said those five freedoms, which are close to the hearts of many field men, are: Freedom from study, freedom from records and planning, freedom from consistent work, freedom from responsibility and freedom from discipline.

In contrast, he suggested six basic principles for success: (1) A thorough and comprehensive knowledge of the business; (2) good prospecting, consistently done; (3) concise, well organized sales presentations; (4) simple, accurate, efficient records and time control; (5) thoughtful and efficient conservation effort; (6) willingness to work—consistently.

The importance of the approach and preapproach was emphasized by Bert A. Hedges, Business Men's Assurance, Wichita, Kan., in his talk on "When You Say 'Good Morning, Mr. Prospect.'" He declared that the first requisite in selling is to get the prospect's undivided, favorable attention. He believes the direct mail pre-approach is worth all it costs, as it gives the agent the "drop" on his prospect.

Tells of Actual Accidents

A graphic picture of the results of three serious accidents in one family, which he presented in the form of a sales talk that he gives to a prospect, was outlined by H. H. Nunemaker, Columbian National Life, Cleveland, speaking on "Flat on His Back." He later revealed that the victims of the three accidents were himself, his wife and his son. He dovetailed the description of the accident, the showing of x-ray pictures and a recital of the tremendous expenses which piled up as a result into his sales presentation, piling up additional material if the initial presentation did not prove to be sufficiently convincing.

O'Connor Is Luncheon Speaker

In explaining why he had selected his subject, "Rain Is Inevitable," A. M. Holtzman, Mutual Benefit Health & Accident, Rochester, N. Y., said rain is now predictable. So is business, but the great difference is that the latter takes a planned approach, as to manpower, prospecting and holding the business. He gave illustrations of plans he has used along all these lines.

The third was that government intervention in the business is inevitable unless it provides the umbrella of an all-out protection for all classes. He

advocated very strongly complete accident and health protection, as against accident only, non-occupational or group coverages.

Speaking at the luncheon the second day, E. H. O'Connor, executive director of the Insurance Economics Society, made a plea for the "fifth freedom," freedom of enterprise. He analyzed the provisions of the newly introduced Wagner bill, which he said goes farther than the recommendations of either the Social Security Board or the National Resources Planning Board and stressed the cost of these proposals, as well as their effect on private business.

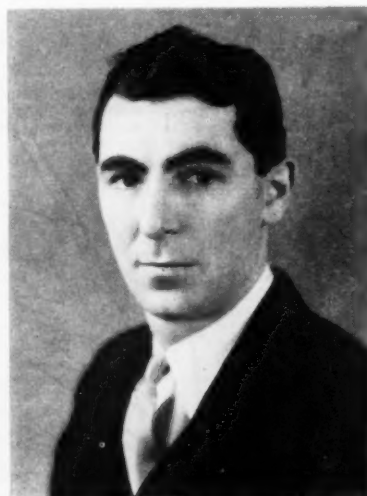
In his talk at the banquet, which was the final feature of the convention, Commissioner Neel of Pennsylvania ranked accident and health as an "insurance first" because it should be easier to make people think in terms of human values before property values. He paid his respects to the "social planners" and declared that insurance is by its very nature a social enterprise, which should very definitely have a place in the post-war world. He praised accident and health insurance for meeting the special policy needs created by the war.

Bernhard Ragner, newspaper correspondent and commentator, also spoke on "Lessons for America in Europe's Debacle."

Several Officials Win Promotion

(CONTINUED FROM PAGE 20)

Mr. Hoag, who has been associated with Continental Casualty as a vice-president since February, 1933, has served as executive of the Chicago branch office for nine years. He is well known in Chicago as a capable insurance executive. Beginning his insurance career immediately after graduation in 1910, he has a background of 33 years



HENRY LUSTGARTEN

in the casualty business, broken only by service as a commissioned officer of the navy during the first world war.

His first insurance connection was with the New York city office of New Amsterdam Casualty. In 1917 he entered armed service. After the armistice he returned to insurance career, joining Union Indemnity as assistant secretary in May, 1920, when that company was only two months old. During the following 12 years he rose quickly, serving successively as assistant secretary, assistant vice-president, vice-president, and executive vice-president of Union Indemnity.

Lustgarten Long in Insurance

In 1933, upon the failure of the company, Mr. Hoag joined Continental Casualty's home office as vice-president. He assumed full charge of the Chicago branch office the following year. During the nine years since he has supervised the growth and operations of that office

capably and intelligently and gained a position of distinction in Chicago insurance circles.

Henry Lustgarten, who assumes Mr. Hoag's executive duties in the branch office, has a background of 22 years in insurance, 15 with Continental Casualty. He began with W. A. Alexander & Co. as an office boy, advancing successively to clerical and underwriting posts, especially in the automobile department. Joining the Continental in 1928 as manager of the automobile department of the Chicago branch office, all of his service since has been spent at that office. He was appointed associate manager of the branch in October, 1931, and his close cooperation with agents and brokers throughout this territory in the ensuing 12 years has earned him a reputation as an able insurance executive. He and Mr. Hoag have been a well coordinated team, building a fine staff and a large volume of business.

Sir William Beveridge Expounds His Program

(CONTINUED FROM PAGE 21)

to preserve private enterprise but probably will give the government a wider role than the United States because people feel they control it.

4. That nations should cooperate in making tariff and other trade adjustments so all can plan without being afraid that some countries will upset international economic relationships by adopting measures purely for their own selfish benefit.

5. That a lasting peace can be assured only by cooperative action of a number of nations to disarm gangster nations and enforce the Kellogg pact.

Ore. Responsibility Law Bringing in Business; Controversy Over Provisions

PORTLAND, ORE.—The advertising campaigns that were carried on by the Oregon and Portland Associations of Insurance Agents, and by several independent non-member companies, to educate the citizens of Oregon regarding the new motorists financial responsibility law have borne considerable fruit. The law became effective June 9 and a sizable volume of new automobile liability and property damage insurance has been written already, with prospects for more to come. Peculiarly, the heaviest increases percentage-wise, in comparison with population, have come from smaller cities and towns beyond the Portland metropolitan area. One Portland general agency reported receiving more than 40 applications in a single day's mail from an agent in a town of 3,000 population. Premium volume is not heavy because of the sharply reduced liability rates under the wartime emergency reductions placed in effect earlier this year and because much of the new business comes from the lower rated territories of the state.

The mechanics of handling filing of certificates of insurance with the secretary of state under the new law, and notices of cancellation, or termination of insurance already filed, have not been finally agreed upon. The controversy between the secretary of state, who contends that the law requires filing of a certificate for every automobile liability and property damage policy issued, including certificates for those already in effect June 9, regardless of whether an accident has occurred, may be arbitrated to a successful conclusion shortly.

The companies interpret the law as only requiring certification of insurance after the policyholder's car has been involved in an accident, and that actual certificate need be filed only when the insurance has been procured after occurrence of the accident. In other cases, where insurance was in effect when the accident occurred, the companies maintain the law requires only a notice to the secretary of state that the required

insurance was in force as to such accident, but requiring separate notice of that sort each time an accident occurred.

Mich. Auto Law Literature

Standard Accident is giving its agents in its home state of Michigan every assistance in connection with the automobile business to be secured as a result of the amended Michigan motor vehicle financial responsibility law, which goes into effect July 30.

The company has already released a sales kit of attractive direct mail advertising pieces to assist in reaching their prospects. Among these pieces are a four-page letter, two blotters, a self-mailer with reply card attached, an envelope insert, and a "Questions and Answers" booklet. All of the pieces are attractively prepared and printed in two colors.

The kit contains instructions for the proper use of the material to obtain the best possible results.

Dr. Davis Opens in Chicago

Dr. Paul A. Davis, industrial surgeon of Chicago, who is widely known among claim men and company officials through his 12 years' service in that profession with two large clinics, has opened his own fully equipped office for industrial surgery and physical therapy in 1610 Fullerton avenue, Chicago. He has a ground floor location with most modern industrial surgical apparatus, x-ray, etc. Dr. Davis leaves the well known industrial surgical office of Dr. K. I. Stevens, where he has been the right hand man for six years. Previously he was associated for six years with the late Dr. H. C. Lyman and Dr. D. R. McLean in the same line. Dr. Davis is a 1930 graduate of Chicago Medical College, and interned at Illinois Masonic hospital. His wife, a registered nurse, will assist him. He will provide 24-hour service for the casualty companies.

Wessman Transferred to West

Irving G. Wessman has been appointed assistant secretary of Metropolitan Casualty and Commercial Casualty and is being transferred from the home office at Newark to the western department in Chicago as head of the accident and health department of the latter, to succeed Howard D. Vore who has been transferred to the Pacific coast department at San Francisco as secretary in charge of the casualty division in that office.

Mr. Wessman has been with Loyalty group a number of years and has for some time been first assistant in the accident and health department at the home office.

Expect 25% Gain in Michigan

Michigan automobile bodily injury sales are already showing substantial gains as a result of the new, strict financial responsibility law. From present indications it appears that Michigan business will be increased at least 25%. Although the new measure does not go into effect until July 30, agents are not wasting any time in driving for business.

The "A B Cs of Wartime Driving" helps sell auto insurance. Write National Underwriter for samples.

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Northwest Safety Engineers Elect French President

A new chapter of the American Society of Safety Engineers, to be known as the Northwest Chapter, has been formed in Minnesota. This is a national organization of practicing safety engineers, sponsored by the National Safety Council. About 150 northwest safety engineers in Minnesota and the immediate northwest form the nucleus of the chapter membership.

Officers elected are: B. A. French, chairman, Marsh & McLennan, Minneapolis; H. S. Lee, vice-chairman, Travelers, Minneapolis; C. H. Dow, treasurer, Northern States Power Co., Minneapolis; J. A. Elsberg, secretary, Anchor Casualty, St. Paul.

Transfer Cal. Compensation Probe to San Francisco

The investigation of practices among companies writing workmen's compensation insurance in California, which started with Pacific Employers in Los Angeles June 1, was resumed in San Francisco Tuesday by Commissioner Caminetti. Victor Montgomery, president of Pacific Employers, with other officers of the company and attorneys, was in attendance as the commissioner resumed his questioning.

The last session in Los Angeles was devoted entirely to the J. W. Robins Co. department store, and practically all of the matters at issue were entered in the record by stipulation. The difference between the payroll returned to the carrier by the firm and that developed by the insurance department auditors was \$9,328. This sum was represented by dismissal pay and sickness allotments made to employees. Assistant Commissioner Cooper held it should be included in total payroll, while counsel for Pacific Employers and for Robins contended the amount represented pure gratuities from the firm. Caminetti took the matter under advisement.

Policies written by Pacific Employers for W. R. Grace Co., shipping firm, was subject of investigation in San Francisco. This appears to center on alleged misclassification of risks. Mr. Caminetti, as in Los Angeles, stressed that there is no reflection on Pacific Employers or assured but rather because of their business they can be helpful in giving information for future investigations. Approximately 17 companies in northern California writing \$200,000 or more a year will be investigated.

Ontario Parley in October

The annual convention of the Ontario Fire & Casualty Toronto Agents Association will be held in Toronto, Oct. 14-15, according to Charles Priestman, secretary.

Seek Seattle Tax Amendment

Insurance interests are seeking amendments to Seattle's new occupational tax law which would exempt premiums from the 1/10th of 1% levy. The law goes into effect July 4. Seattle companies are especially concerned because of retaliatory laws of other states. It is reported there are supreme court decisions in the east and south which hold state retaliatory tax laws may be invoked with respect to premium taxes levied by municipalities, on the basis that municipalities derive their power to tax from the state and so a municipal tax is tantamount to a state tax for purposes of retaliation.

Cal. Hearing on Comprehensive

SAN FRANCISCO — Commissioner Caminetti of California has called a public hearing this week to determine the effect upon compensation rates of a

Job Accidents Exceed War Casualties

Job accidents in the United States from July, 1940, to January, 1943, the 30 months covering the defense program and the first year of war, brought death to 48,500 workers, cost 258,000 an eye, finger, hand, arm or leg, and laid up 5,300,000 for an average of three weeks each. Days of work lost in these accidents totalled 110,000,000—more than 375,000 man-years.

In the first 18 months of the war, our announced battle casualties have numbered 12,123 dead, 15,049 wounded; 40,435 missing and 10,628 prisoners of war, a total of 78,235.

proposed extension of the provisions of the comprehensive rating plan for national defense and war projects to lump sum contracts in connection with such projects.

Much New Ind. Auto Business

INDIANAPOLIS—Automobile writing companies are using much newspaper

advertising on financial responsibility law, which becomes effective July 1. Many car owners who never before have carried P. L. and P. D. are taking at least enough insurance to satisfy the requirements of the law, \$10,000 P. L. and \$1,000 P. D. Some of this business, no doubt, will be increased later as new policyholders learn to value the protection.

Joins Hartford Steam Boiler

Don A. Morton, former special agent in Tacoma and Portland of General of Seattle, and more recently with a Spokane agency, has joined Hartford Steam Boiler as field man in Spokane.

He succeeds Fred Fullmer, who has been handling that field for 13 years and is now being transferred to Seattle.

Grinstead Shifted to Seattle

Tileston Grinstead, special agent of American Bonding, has been transferred from Spokane to Seattle where he will be associated with Arthur S. Eagle, manager for the western Washington. He succeeds William Risdon, who has gone into an aircraft plant in Los Angeles.

Mr. Grinstead has been a field man at Spokane for two years. Before that he was in Seattle, Los Angeles and Salt Lake City. American Bonding re-

cently established service office at Spokane under the management of Abe Kalin.

Hodson Goes to Seattle

John Hodson, for the past 7 years special agent in Salt Lake City of American Surety, has been transferred to Seattle.

NEWS BRIEFS

Charles F. Fleckenstein, office service manager of Standard Accident has been elected president of the Detroit Chapter of the National Office Management Association.

Clarke Smith, vice-president of Globe Indemnity, was in Denver several days visiting Cashman & Evans, general agents for the company. Mr. Smith has made an extended mid-western trip.

Stewart McDonald, chairman and president of Maryland Casualty, has presented a check for \$900,000 to Robert P. Patterson, Under Secretary of War, representing net proceeds of the Army War Show. Mr. McDonald served as president of the National Citizens Committee for the War Department, which sponsored the show. The money has been turned over to the Army emergency relief.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

O. L. Danek Heads Minn. Federation

ST. PAUL—Otto L. Danek, local agent at Glencoe, Minn., was elected president of the Insurance Federation of Minnesota at the annual meeting here to succeed Lloyd H. Iverson, Montevideo. New vice-presidents are Ernest C. Bowe, C. W. Hall and George W. Wells, Jr., all of Minneapolis; executive committee members, John W. Fischbach, St. Paul, and Lloyd H. Iverson, Montevideo; directors, Jesse D. Bradley, Duluth, John N. Osterud, Spring Valley, and M. W. Sutfin, Benson.

Clyde B. Helm, Minneapolis, was reelected secretary-treasurer. On the legislative committee are Armand Harris, St. Paul; C. C. Champine, Ceylon; Herman Dammann, Norwood, and D. M. Farnham, Minneapolis.

Secretary Helm's Report

Among Minnesota lawmakers insurance as a business stands very high, Secretary Clyde B. Helm reported. Reviewing his work at the recent session, Mr. Helm said:

"Regardless of party affiliations our senators and representatives showed an intelligent interest in all proposals affecting insurance and consistently showed us every courtesy and consideration."

Despite war conditions, the membership of the federation is holding up well and today represents approximately 6,000 insurance people of Minnesota, Secretary Helm said.

President Lloyd H. Iverson of Montevideo traced the growth of the federation from its small beginning 29 years ago and told what it has done for the insurance business in general during that period. W. K. Blewett, chairman of the memorial committee, paid tribute to 13 federation members who died during the year. Karl V. Klein, president of the Insurance Exchange of St. Paul, was chairman of arrangements for the meeting.

Wis. Resolutions Propose Revision of Insurance Laws, Investigation of Department

MADISON, WIS.—Two resolutions have been introduced in the Wisconsin assembly, one to create an interim committee to investigate the need for changes in state insurance laws and report to the 1945 session, and another creating a committee to investigate Commissioner Duell and the insurance department.

The latter resolution calls for a five-member committee of assemblymen to report to the present session with findings and corrective legislation, so that "flagrant injustices and burdensome and discriminatory practices . . . be adequately curtailed and remedied." It alleges that 23 insurers have been discouraged from entering Wisconsin; that some large auto mutuals "are receiving special consideration and favors" from the department; that the department "has been lax and dilatory in enforcing the law with respect to reserves of certain mutuals, which has resulted in great loss to policyholders and members."

Assemblyman Catlin of Appleton, one of the authors of the resolution, was active in the 1941 session in connection with legislation that would have admitted State Farm Mutual to Wisconsin over Commissioner Duell's

objection. The bill was never passed. A resolution to investigate the commissioner and the department, introduced earlier in the present session, connected with the liquidation of Wisconsin Mutual, was killed about a month ago.

Cincinnati Action on Non-Resident Commissions

The Cincinnati Fire Underwriters Association unanimously adopted an amendment to its constitution regarding the percentage of commission allowable to non-resident agents and brokers. The amendment changes its non-resident brokerage rule. While formerly 10% was the maximum percentage of commission allowable by members, under the new rule the situation is practically reversed and the Cincinnati agent retains not less than 10%, with certain exceptions. It provides for:

Not less than 5% on risks under control of the Interstate Underwriters Board and on risks written by the Western Factory and/or the Western Sprinkled Risk under superior form.

All but 10% on risks that derive their principal source of income from residents of metropolitan Cincinnati, except as provided for under the first paragraph.

All but 10% on risks requiring the performance of any service by the countersigning member other than issuing or countersigning the policy, except as provided for under that paragraph.

Not less than 10% on all other risks.

Call Ohio Inspection Conference

Henry W. Lyndall, officer in charge of facilities security in Ohio, has called a meeting of volunteer inspectors in Columbus June 22. The previous day a new state council on facilities security will meet in Columbus. On this council are Ray Gill, state fire marshal; C. W. Little, Sun, president Fire Prevention Association of Ohio; E. F. Gallagher, Ohio Inspection Bureau; West Shell and Ralph W. Hukill, Cincinnati; E. O. Pierce and E. N. Cunningham, Cleveland; J. W. Huntington and Fred Reiss, Columbus; W. C. Welsh, Dayton, and Bruce R. Howard, Toledo. Both stock and mutual companies are represented on the council. One of the purposes is to provide a plan for inspection of war plants in Ohio other than the larger ones which are more or less directly under the supervision of the government departments.

Public Relations Reviewed

MONTEVIDEO, MINN.—The public relations program of the National Association of Insurance Agents came in for attention at the "open house" meeting of the West Central Agents Regional Association of Minnesota. George Odell, district chairman of the state association; Secretary Frank Preston and Armand Harris, chairman of the executive committee of the state association, explained the program. A number of field men attended the meeting.

Agents at Radio Station Award

KALAMAZOO, MICH.—Members of the Kalamazoo and Michigan Associations of Insurance Agents are taking a prominent part in the presentation Thursday of an honorable mention award to radio station WKZO for its fire prevention work in 1942.

W. O. Hildebrand, secretary-man-

ager of the Michigan association, will be toastmaster at the banquet and A. R. Schorer, Kalamazoo, Michigan association president, will make the formal presentation. Commissioner Forbes will attend.

Dale Bloom, president of the Kalamazoo association and chairman of the fire prevention committees both of the Michigan association and the Kalamazoo Chamber of Commerce, will be a speaker.

Crabbe Speaks in Cleveland

CLEVELAND — Superintendent Crabbe of Ohio addressed the Insurance Board of Cleveland, Wednesday, his first speaking appearance in Cleveland since his appointment. He discussed insurance department affairs, new state laws and the public responsibility of insurance. Theodore M. Gray, new executive secretary of the Ohio Association of Insurance Agents, was a special guest. Other Cleveland associations were invited to hear Mr. Crabbe, including the Association of Casualty Managers, Field Club, Accident & Health Association and Surety Association.

Kill Reciprocity License Bill

MADISON, WIS.—The Wisconsin assembly has killed the senate bill that would have permitted fire, marine and casualty agents in communities near the state border and those similarly situated in adjoining states, such as Illinois, Iowa and Minnesota, to operate on a reciprocal basis. Outside agents would have been licensed in Wisconsin at a \$10 fee. Many agents contended the measure would open up to outside brokers a field of solicitation, much to the detriment of Wisconsin agents.

Minn. Hail Losses, Business Up

MINNEAPOLIS — Adjusters have about completed handling the claims that followed the first hail losses to growing crops late in May and early in June. Most of the claims came from west and south central Minnesota and some from western Wisconsin. Principally flax and rye were damaged. Repeated rain storms hampered the work of adjusters. New hail business which came slowly in May, has gained momentum in June.

Lewis Is Hutchinson Secretary

A. H. Lewis of Wade Patton & Co. has been named secretary of the Hutchinson (Kan.) Association of Insurance Agents, replacing H. E. Barr, Bankers Investment Co., who has left the insurance business.

The Board's annual picnic was a joint outing with the real estate board. Byron Astle of the Davis-Astle Agency was general chairman.

New Salina, Kans. Officers

New officers of the Salina (Kan.) Insurance Board are: President, John Kramer, succeeding Dan Bolen of Spradley-Bolen; vice-president, Harry Felten; secretary-treasurer, V. M. Richmond of Richmond & Glover, re-elected.

Railroad Fire Uninsured

A fire recently did considerable damage in the Santa Fe freight depot at Great Bend, Kan., when a loading dock and four loaded freight cars containing oil field equipment, engines and quantities of sugar and meat, burned. The railroad equipment loss was not insured.

Lucas County Board Elects

D. L. Barnes has been elected president of the Lucas County Insurance

Board, Toledo, O. Harvey Hoover is vice-president; James O. Reid, secretary; James B. Wilford, treasurer, and William Wandel, executive secretary.

Discuss Surveys for Municipalities

ST. PAUL—Insurance surveys for municipalities was one of the topics discussed at the annual meeting here of the League of Minnesota Municipalities. The need of increasing insurance was brought out by speakers.

Confesses Arson in Iowa

Louis Roemig, according to agents of the Federal Bureau of Investigation, has confessed to setting fire to the refrigeration manufacturing plant at Middle Amana, Ia., which is a community owned property of the Amana Society of Dunkards. The confession was obtained by Richard Steinmetz of the Mill Mutual Fire Prevention Bureau of Chicago. Roemig was a member and stockholder of the Amana Society and worked in the plant which was engaged in manufacturing large electric coolers for the armed services. He was held in Cedar Rapids on a charge of violation of the federal sabotage statute.

The Mill Mutuals had \$52,000 insurance on the building and \$115,000 on stock. According to newspaper accounts the fire loss totaled \$225,000.

NEWS BRIEFS

The Lawton-Byrne-Bruner Agency, St. Louis, held its annual stag outing. Several company men attended. Al Fisher, fire underwriter, gives the affair each year.

Francis V. Ellis, local agent at Manchester, Ia., has dropped his agency work and joined the FBI as an agent.

Paul Olinger, state agent of Connecticut Fire, spoke on loss adjustments and public relations at the meeting of the Park Agents Regional Association of Minnesota at Detroit Lakes.

Margaret Nukow, W. O. Chamberlain agency, is the new president of the Insurance Women of Milwaukee. Joanne Surges, Home, is vice-president; Eleanor Rodewald, Talsky agency, treasurer; Margaret Petzke, Swartout Company, recording secretary; Delphine Boyle, Phoenix of Hartford, corresponding secretary. Frank L. Fawcett, attorney, spoke on "The Unknown Heroine."

The Mutual Insurance Field Club of Ohio held its June fiesta in Columbus, with 35 present. The Ohio department was represented by L. U. Jeffries, warden.

New officers of the Hutchinson (Kan.) Association of Insurance Women are: Patricia Spillman, Western Adjustment, president; Mrs. Lillian Mead, Thompson-Kline, and Betty Wilson, McNaghten Agency, vice presidents; Carley Upp, McNaghten Agency, secretary; Mrs. Martha Brown, Brown Bros., treasurer.

President Ben H. Northcott, Jr., of the Newton (Kan.) Insurance Board entertained the board for its June meeting at his home.

Stewart H. Manson, Michigan Fire & Marine, was master of ceremonies at the June meeting of the Insurance Women's Club of Detroit at which time the personal property floater was analyzed by Roy D. Wessendorf, assistant superintendent of agencies for Springfield Fire & Marine in the western department.

F. M. Condit, agent and banker at Beardstown, Ill., recently was elected vice-president of the Illinois Bankers Association.

James W. Ponder, local agent at Gering, Neb., has resigned as a member of

the state commission in charge of enforcement of the unemployment compensation insurance law. He had recently been reappointed by the governor.

The partnership of J. A. Nuckolls and O. S. Smith of the Smith-Nuckolls Agency, Decatur, Ill., has been dissolved as of April 1. Both men now have their own agencies in 253 South Park street building. The partnership was formed in 1931.

EAST

Adams Renamed President of New England Mutuals

BOSTON—President W. Bruce Adams, vice-president and secretary of Fitchburg Mutual Fire, was reelected president of the Mutual Fire Insurance Association of New England at its annual meeting here.

Carl G. Gesen, Manufacturers & Merchants Mutual, Concord, N. H., was reelected first vice-president; Earle R. Horton, Pawtucket Mutual Fire, second vice-president. Raymond C. Baker, executive vice-president, was elected secretary-treasurer to fill the vacancy caused by the death of Charles F. Danforth, and Miss Ethel M. Pratt was named assistant secretary. Members of the executive committee are Harold K. Bartlett, Traders & Mechanics; Karl E. Greene, Berkshire Mutual Fire; Charles E. Hogan, Middlesex Mutual Fire, and William A. Robbins, secretary, Abington Mutual Fire Insurance Co.

Mr. Adams in his report called for a united campaign by policyholders, agents and companies to stamp out unnecessary and careless fires, to combat the rising fire losses, and help in the war effort. Members were urged to cooperate, as in the past year, with the program of the War Damage Corporation.

Camden County Agents' Plan

CAMDEN, N. J.—The Camden County Insurance Agents Association has a military service plan that is attracting widespread attention. The plan was drawn up by a committee headed by Charles W. Stockwell.

It contains recommendations and suggestions for drawing agreements between agents where an agent is entering service and arranges for another to take over his business.

NEWS BRIEFS

The Insurance Women of Buffalo have elected these officers: Miss Margaretta E. Teigeler, president; Mrs. Sylvanus F. Nye and Miss Helen G. Kennedy, vice-presidents; Miss Harriet Wendelgass, treasurer; Miss Monica A. Hoelscher, recording secretary; Miss F. June Wells, corresponding secretary.

Irving S. Elliott was given a dinner by his associates in the Boit, Dalton & Church agency, Boston, in recognition of his 50 years in insurance, all in the same agency or its successors.

Miss Carolyn E. Murphy, Northampton, Mass., editor of the bulletin of the Massachusetts Association of Insurance Women, of the Dana J. Dowd agency, was given a farewell party in Northampton in recognition of her approaching marriage.

State License Needed

SAN FRANCISCO—Selling insurance while on premises controlled by the federal government, such as those taken over for war purposes, must be in accordance with the laws of California, according to an opinion given Commissioner Caminetti by the attorney-general. The commissioner's request for an opinion was based upon activities of unlicensed agents and some unadmitted companies on these premises.

IN THE SOUTHERN STATES

Sprinkler Leakage Wind Issue Won by Insurer

The question of whether sprinkler leakage damage eventuating from windstorm damage to the sprinkler system is covered under a sprinkler policy is frequently litigated despite the clear exemption in the hazards not covered clause of losses of this nature. The Louisiana supreme court just recently gave a decision for the insurer in a case of this kind, it being Hardin Bag & Burlap Co. vs. Fidelity & Guaranty Fire. The assured sought to recover \$665 and got a favorable decision from the lower court and court of appeals for the Parish of Orleans.

Hardin Bag & Burlap Co. was a tenant in the Maginnis Terminal in New Orleans, occupying the lower floor. On Feb. 26, 1939, a part of the roof of the building was blown off by windstorm which ruptured the sprinkler system feed pipe, and caused a large volume of water to escape to the lower floor and damaged Hardin's goods.

Among other things Hardin contended that the atmospheric disturbance which damaged the building and ruptured the sprinkler system was a hail storm instead of a windstorm. The supreme court states that at the time the building was damaged there was a heavy windstorm accompanied by a severe hail storm. The wind reached as high a velocity as 32 miles per hour. This, according to the supreme court, conclusively shows that there was a windstorm.

Pledge Aid to Agents in Service

OKLAHOMA CITY—At a meeting of executive committee of the Oklahoma Association of Insurance Agents, a resolution was adopted committing the members to give assistance and advice, to use all of their facilities and to do anything they can where an agent is called to service to help preserve his agency and not to solicit any of his business. The committee recommended that all local boards of the state incorporate this principle in their by-laws.

It was decided to rotate the places where meetings of the executive committee are held, rather than holding them in Oklahoma City and Tulsa, in an effort to stimulate interest in the association and increase membership.

Kill Ala. Valued Policy Bill

BIRMINGHAM, ALA.—An effort to enact a valued policy law in Alabama was killed by a unanimous adverse vote of the senate committee on insurance.

Insurance interests are also seeking to defeat other bills which would rule out evidence as to the value of the property in case of loss litigation and require an insurance company to pay the attorney's fee of a policyholder who goes into court and obtains judgment.

Florida Directors Named

At the annual meeting of the Florida Association of Insurance Agents in Jacksonville last week, the following directors were elected: Cooper M. Cubbage, Jacksonville; Roland Hardy, Pompano; S. W. Johnson, Fort Meyers; J. P. Lassiter, Leesburg; J. F. McMillan, Coco; H. E. Runyan, St. Augustine; Harry Halden, Lakeland; J. W. Warren, Tampa, and G. O. Wright, West Palm Beach.

NEWS BRIEFS

The Lubbock (Tex.) Exchange has reelected J. E. Maisen president, G. R.

Kennedy vice-president and H. D. Delaney secretary-treasurer.

John H. Cato, Jr., manager of R. S. Terrie Insurance Co., Petersburg, Va., has been elected president of the Petersburg Y. M. C. A.

The Greater Little Rock Exchange plans to broadcast a transcription of the U. S. Chamber insurance program next Sunday.

John C. Browder, Springfield, Tenn., local agent, has been elected mayor there.

The Beaumont (Tex.) Exchange at its annual election named Leo Williams president, Harris Cooper, vice-president; C. T. Smeleker, treasurer, and C. O. Wilson, secretary.

Thomas A. Brown, Knoxville, Tenn., local agent, has been elected chairman of the Knox county equalization board for the 10th year.

Martin A. Hayes, Nashville agent, has been elected vice-chairman of the Nashville Electric Power Board.

James Aldridge of the Coffman, Daily & Aldridge agency, Austin, Tex., is sponsoring the formation of an insurance women's association there. His secretary, Mrs. Carrie Pedigo, conferred with

members of the Dallas and Fort Worth organizations and a get-together party will be held shortly in Austin.

New officers of the Insurance Women's Club of Oklahoma City are: Mrs. Joyce Lindsey, president; Verna Harmon and Theda Tunnell, vice-presidents; Mrs. Dorothy Minick, secretary.

COAST

Several Insurance Bills Signed in California

SAN FRANCISCO—Governor Warren of California has signed a number of insurance bills passed by the legislature, including the measure for carrying out the provisions of the constitutional amendment revising the method of gross premium tax payments so that the present real estate tax offset will be gradually eliminated.

The measure revising workmen's compensation reserves, stipulating bonds for certain purposes and granting the insurance commissioner permission to approve or issue a comprehensive rating plan for insurance covering war essential projects, was also signed. The clause regarding violations was eliminated before passage.

Another new law prohibits the placing

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Ariz. Cancels Fire Policy Order

The Arizona corporation commission has annulled the order that it issued last November requiring fire insurance companies to use the brand new New York standard fire policy in the state. The action was taken because the New York law was just recently amended insofar as the war exclusion clause is concerned. Until further notice the 1918 New York standard form shall be used in Arizona.

Panel on Agency Management

The Orange County (Cal.) Insurance Agents Association will hold a panel discussion June 28 on "Agency Management." A. M. Schneider, agency superintendent of Springfield F. & M., will lead the panel, assisted by W. A. Vogel, special agent of Crum & Foster, W. B. Martin, Santa Ana, and Frank A. Crook, Fullerton, local agents.

Unemployment Exemption Killed

Governor Warren has permitted the bill which would exempt agents and

solicitors from the provisions of the California unemployment insurance law to die by pocket veto. He signed another bill which completely reorganizes the unemployment insurance commission.

Hollywood Agents Elect

HOLLYWOOD, CAL.—The Hollywood Association of Insurance Agents has elected these officers: President, Leslie P. Hall; vice-president, Harvey W. Priest; secretary-treasurer, Jack Dempsey.

NEWS BRIEFS

San Francisco—Insurance men of the Catholic faith held their annual dinner with several fathers from Jesuit Retreat House of El Retiro present as guests. About 100 attended. D. A. Barry, Pacific Coast manager Pearl, and William G. Rich, assistant Coast manager of Royal-Liverpool, headed the dinner committee.

Paul Wilson, assistant manager Pacific department of Phoenix of Hartford, addressed the Insurance Institute class of the Insurance Exchange of Los Angeles on "Inland Marine Insurance."

of Aden but not east of Cape Cormorin and a reduction from 13½ to 12½% was made on the trip to India east of Cape Cormorin not east of Calcutta, also Ceylon.

Reductions have been made in the South Pacific area with voyages between Australia, New Zealand, Tasmania and South Pacific islands east of 150 degrees east longitude, via the Panama Canal and United States Atlantic and Gulf, also Canadian ports the rate now being 9%.

Voyages on the Atlantic coasts of North and South America were reduced from 6½ to 5½%, and a general reduction of 1% was made on voyages between the east coast of South America south of Paramaribo, excluding via Magellan and Newfoundland, Canada Atlantic, U. S. Atlantic, Gulf, U. S. Pacific and Canada Pacific via Panama. Several coastwise voyages were also affected. The rate between U. S. Atlantic and U. S. Gulf to or from U. S. Atlantic is now 4% with a few exceptions.

WDC Issuing Form 3(a)

The War Damage Corporation form No. 3(a) now is being printed and will shortly be forwarded to distributing outlets. This is the form for use in connection with insurance of property in transit and is supplementary to the regular transit form No. 3. The form provides for a deposit premium based on the estimated annual value of shipments, the value to be adjusted to the actual value at the expiration of the policy. The 3 cent rate, which insured regarded as too high last year when it was first issued, still applies on the transit covers.

L. W. Robinson Joins Aetna

L. W. Robinson, who has been with Marine Office of America since 1935, first in New York and then from 1937 in Chicago, has joined the western marine department of Aetna Fire in an underwriting capacity. He has had a well rounded experience. He was born to the marine business as his father, the late Wade Robinson, was the owner and manager of American Merchant Marine Insurance Company. Mr. Robinson was educated in France.

Prato with Hinton Office

Peter H. Prato, who has been connected with Aetna Fire in Chicago for the past several years, has now joined F. Kenneth Hinton & Associates, marine general agency with headquarters in Chicago. Mr. Prato was connected with the Cook county department of Aetna Fire for three years and since then has been in the western marine department.

Clyde R. Thornton, manager of the marine department of Mathews & Livingston, lectured before the Insurance Exchange Institute in Los Angeles on "Ocean Marine Insurance."

London & Scottish Correction

In the special Automobile number of THE NATIONAL UNDERWRITER the losses of the London & Scottish were misstated. It had \$39,866 premiums and the losses were \$44,043, making the loss ratio 110%.

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May Fire Losses Are Up 26%

The National Board estimates May fire losses at \$29,297,000, which is an increase of 26% over May, 1942, and a decrease of 14% from April of this year. For the first five months of 1943 losses exceed the same period of 1942 by approximately \$15,000,000. The losses in May, 1941, totaled \$25,637,000; May, 1942, \$23,233,000, and for the first five months; 1941, \$139,010,000; 1942, \$148,082,000, and 1943, \$163,660,000.

Connecticut Agents Hold Mid-Year Meeting

(CONTINUED FROM PAGE 4)

frequent failure to have protection at the time of an accident because there has been an attempt to select the kind of accident which was going to occur. The agent's responsibility has now been centered on providing complete information on operations of the assured. Failure of agent or assured to disclose operations calling for extra premium can become serious if widespread. Mr. Randall says experience under comprehensive has been good and he predicts broadening of the contract.

Some difficulty is arising, Mr. Randall reported, in getting a careful statement of the named assured. Where several corporations are named for coverage or specific job, strict definition of the job must be included. When submitting a proposal to the insurer the agent should make clear what is to be covered and what is not covered. Contractual agreements are too often overlooked by the buyer because he has forgotten about them. The agent needs to help ferret out these agreements. Too little property damage coverage is sold. Products liability danger is not sufficiently recognized and is likely to be confined to goods taken internally by human beings. Rates can be reduced on products liability, he said, if more coverage is sold. Limits must, except under very special circumstances, be the same for all hazards; otherwise there is selection against the company.

Sale of the comprehensive personal liability insurance brings in premium amounts justifying an agent's careful attention to it. One-half of Travelers policies are written on a three year basis. The premiums are averaging above \$30. He said in his own opinion the \$50 minimum premium requirement for the general comprehensive is too high.

Afternoon addresses were made by retiring Commissioner John C. Blackall, John P. Madigan, manager bond department Maryland Casualty, New York, and Russell A. Algire, vice-president National Surety.

MARINE INSURANCE NEWS

Aetna Wins P. & I. Decision

Aetna Fire under a decision of the federal court for the eastern district of New York was cleared of liability under a protection and indemnity policy on the ground that the insured motor boat on Lake Owasco, Cayuga county, New York, was operated on the night of the accident without a searchlight. The policy warranted that the boat was to be equipped at all times with a spot light. The case was Levine admr., vs. Aetna Fire. The administrator of the deceased sought to recover \$7,735 from Aetna on a judgment obtained against Guy F. Sandy and S. E. LaGrou, who owned and operated the motor boat as a sight seeing craft under a concession at Cayuga Amusement Park.

The boat struck a submerged part of a pier which had fallen away that spring. On the trip preceding the fatal one, the searchlight on the boat had been knocked loose and when the boat came in the driver handed the light to LaGrou and the driver was permitted to make the next trip without a light. The operator misjudged the location of the outlet and ran the motor boat into some of the submerged end of the pier. The operator of the boat testified that he did not know the pier was damaged or part submerged. However due to the fact that he had had much experience on the lake, the court cannot accept his deposition.

The plaintiff contended that the light was of no practical value on the boat because it would have been of no assistance to the operator in discerning obstacles under water. However, the court stated, it is logical to assume that with the use of the light the driver would have been able to see quite a distance ahead thereby assisting him to find his bearings so as to steer clear of the pier

end under water. The lack of the light increased the risk of Aetna Fire. Due to the breach of the express warranty the court holds that the policy was voided.

Felstein & Rosenstein, Sidney J. Felstein represented the plaintiff and Duncan & Mount, Frank A. Bull were attorneys for Aetna Fire.

Lower Marine War Risk Rates Reflect Improved Situation of Allies

NEW YORK—American marine underwriters have removed the "rates quoted on application" status from east coast United Kingdom ports and channel ports east of Southampton and now quote a rate of 7½% for the entire United Kingdom, Irish Free State and Northern Ireland to and from the United States, Canada, West Indies, Central and South America and Mexico. The above rate includes the entire United Kingdom which indicates increased Allied superiority on sea and in the air as the west coast United Kingdom ports and the channel ports not east of Southampton have formerly been quoted at 10% while the rate for east coast voyages has been even higher.

A reduction of 2¼% has been made on voyages to and from Greenland and the United States, the rate now being 5% and the Iceland route has been reduced from 10 to 6%. The rate applicable to ports of Egypt, the Red Sea and the Gulf of Aden, to or from the United States, Canada, West Indies, Central and South America and Mexico has been reduced from 12½ to 10% with no route such as via Gibraltar or the Cape specified. A similar reduction has been made on voyages including western hemisphere ports to or from eastern ports east of the Gulf

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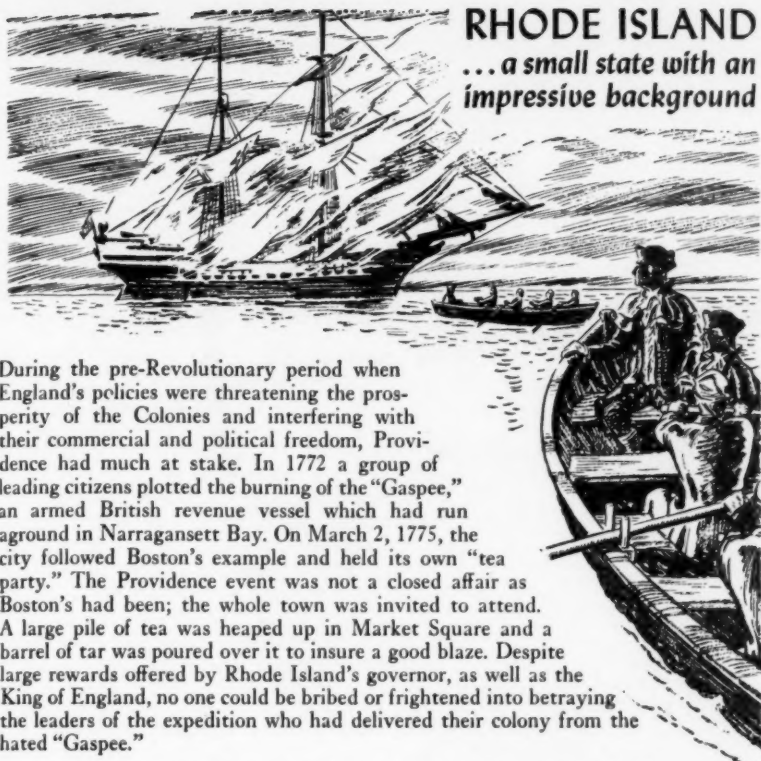
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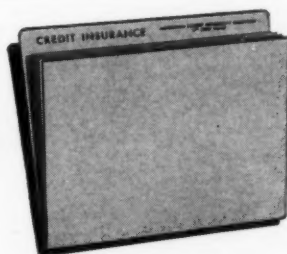
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